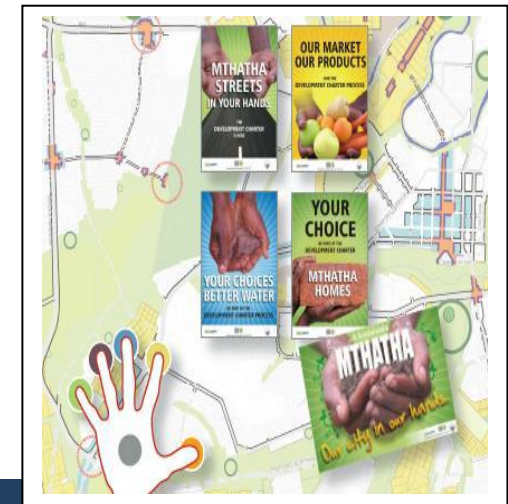
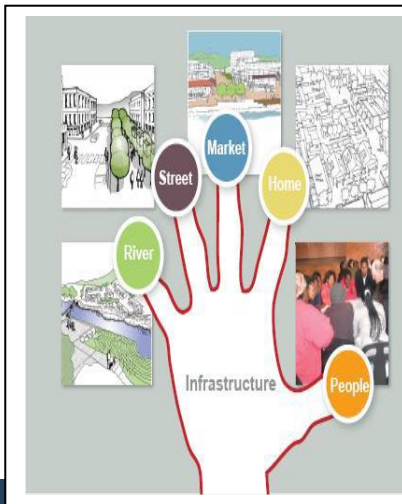
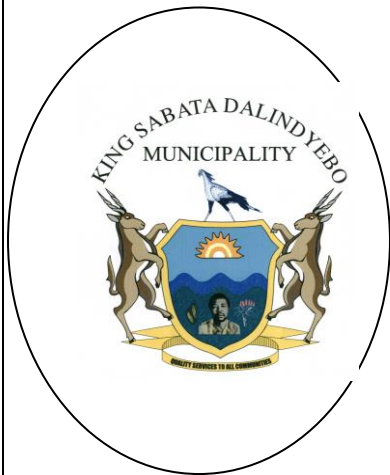


KING SABATA DALINDYEBO LOCAL MUNICIPALITY: IDP REVIEW 2018/19



A municipality of choice to visit, invest, live and work!



THE MUNICIPAL MANAGER
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ACKNOWLEDGEMENT

Preparation of this IDP/Budget 2018/19 Review of The King Sabata Dalindyebo Municipality for the Council term ending in year 2022 could have not been achieved without the assistance of the large number of stakeholders that include: National Government, Provincial Government, State Owned Enterprise, NGO's, Traditional Leaders, Councillors, TROIKA, Ward Wommittees, Community Development Workers, Senior Management, Staff Members and Members of the Community of King Sabata Dalindyebo. Their Assistance is appreciated and their valuable contributions are acknowledged with thanks.

GLOSSARY OF TERMS

AA:	Administrative Authority
ABET:	Adult Based Education and Training
ABP:	Area Based Plans
AIDS:	Acquired Immune Deficiency Syndrome
AsgiSA:	Accelerated and Shared Growth Initiative for South Africa
BBBEE:	Broad Based Black Economic Empowerment
B2B:	BACK TO BASICS
CBOs:	Community Based Organisations
CDWs:	Community Development Workers
CLARA:	Communal Land Rights Act No. 11 of 2004
CRDP:	Comprehensive Rural Development Programme
CIF:	Capital investment Framework
CMA:	Catchment Management Area
DEDEA:	Department of Economic Development & Environmental Affairs
DEA	Department of Environmental Affairs
DFA:	Development Facilitation Act 67 of 1995
DLGTA:	Department of Local Government and Traditional Affairs
DM:	District Municipality
DWA:	Department of Water Affairs
EC:	Eastern Cape
ECBCP:	Eastern Cape Biodiversity Conservation Plan
ECPSDP:	Eastern Cape Provincial Spatial Development Plan
ECSECC:	Eastern Cape Socio-Economic Consultative Council
KSDLM:	King Sabata Dalindyebo Local Municipality
EMF:	Environmental Management Framework
EXCO:	Executive Committee
FET:	Further Education & Training
GDP:	Gross Domestic Product.
GDS:	Growth and Development Summit
GGP:	Gross Geographic Product.

GIS:	Geographic Information System
HIV:	Human Infected Virus
ICT:	Information and Communication Technology
IDP:	Integrated Development Plan
IGR:	Intergovernmental Relations
ISRDP:	Integrated Sustainable Rural Development Programme
ITPs:	Integrated Transport Plans
IPILRA:	Interim protection of Informal Land Rights Act
IDC:	Industrial Development Corporation
ISDM:	Integrated Service Delivery Model
IWMP:	Integrated Waste Management Plan
ORDM:	OR TAMBO District Municipality
KPA:	Key Performance Area
KPI:	Key Performance Indicator
SDF:	Spatial Development Framework
LDO:	Land Development Objective
LED:	Local Economic Development
LGMIM:	Local Government Management Improvement Model
LRAD:	Land Redistribution for Agriculture Development
LM:	Local Municipality
LGMIM:	Local Government Improvement Model
LUM:	Land Use Management
MEC:	Member of the Executive Council
MFMA:	Municipal Finance Management Act
MIG:	Municipal Infrastructure Grant
MSA:	Municipal Systems Act
MSIG:	Municipal Systems Improvement Grant
MSP:	Master Systems Plan
MTEF:	Medium Term Expenditure Framework
MTSF:	Medium Term Strategic Framework
MYPE:	Mid-year population estimates
NDP:	National Development Plan, Vision 2030
NEMA:	National Environmental Management Act
NGO:	National Government Organisations
NSDP:	National Spatial Development Perspective
PDP:	Provincial Development Plan
PES:	Poverty Eradication Strategy
PDP:	Provincial Development Plan
PSDP:	Provincial Spatial Development Plan
PSDF:	Provincial Spatial Development Framework
PGDS:	Provincial Growth Development Strategies
PLAS:	Pro-active Acquisition of Land Strategy

PLTF:	Provincial Land Transport Framework
PSF:	Provincial Strategic Framework
RDA:	Rural Development Agency
RDAT:	Rural Development & Agrarian Transformation
RDP:	Reconstruction and Development Programme
RULIV:	Rural Livelihoods
SANRAL:	South African National Road Agency
SDF:	Spatial Development Framework
SDG:	Sustainable Development Goals
SPLUMA:	Spatial Planning and Land Use Management Act
SEDA:	Small Enterprise Development Agency
SETA:	Sector Education Training Authority
SMME:	Small, Medium & Micro Enterprises
STEP:	Sub Tropical Ecosystem Planning Project
SAPS:	South African Police Services
TA:	Tribal Authority
VIP:	Ventilated Improved Pit Latrine
WMA:	Water Management Area
WMP:	Water Management Plan
WSA:	Water Services Authorities
WSDP:	Water Services Development Plan
WSU;	Walter Sisulu University

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EXECUTIVE SUMMARY

1.1 MUNICIPAL OVERVIEW

The King Sabata Dalindyebo Local Municipality is a local municipality situated in the District of OR Tambo District Municipality in the inland of Eastern Cape Province in Republic of South Africa.

The King Sabata Dalindyebo Local Municipality was established before the 2000 local government elections when the Mthatha and Mqanduli transitional and rural areas were merged. The municipality was named after King Sabata Dalindyebo because he was seen as a unifying figure to the people of both Mthatha and Mqanduli and was seen as a hero who fought for the freedom of South Africa. The King Sabata Dalindyebo municipality is having its main offices at the City of Mthatha and its satellite offices are located at Mqanduli.

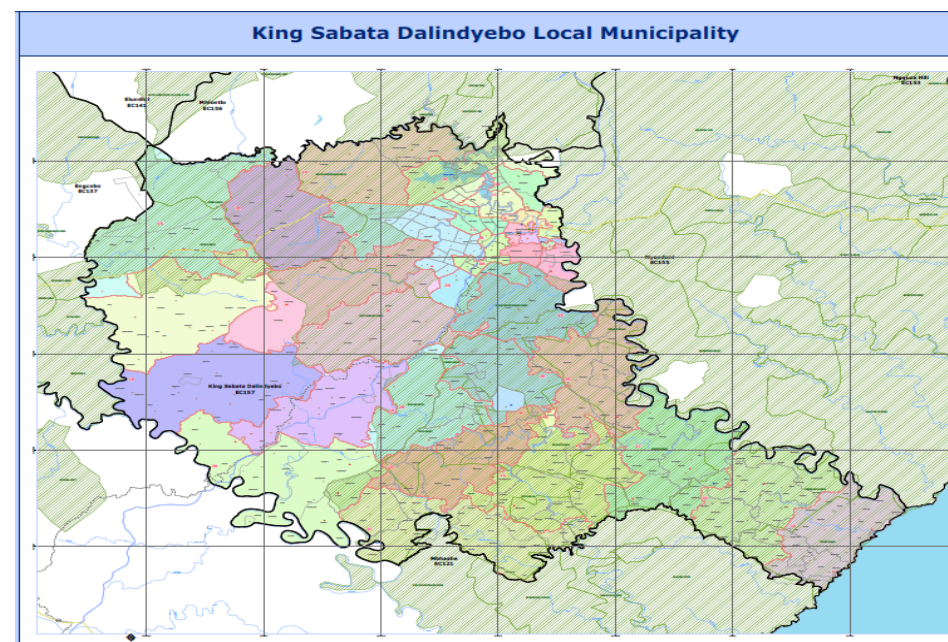
It (KSDLM) is the economic hub of the District and the host to both the Local and District Municipality's Offices. Comprising two amalgamated entities, Mthatha and Mqanduli urban and rural magisterial areas. The municipality has both an urban and a rural character, including a prominent national urban settlement and regional economic hub, as well as dispersed village-type rural settlements. The Municipality covers an area of 3027 square kilometers and currently has 36 wards as against 35 prior 2016 Local Government accommodating an estimated population of 494 000 people in 117 623 households. This equates to an average annual growth rate of 2.10% in the number of households from 2006 to 2016. With an average annual growth rate of 1.23% in the total population, the average household size in the King Sabata Dalindyebo Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2006 decreased from approximately 4.6 individuals per household to 4.2 persons per household in 2016.

Mthatha is a major transport and regional service centre, dissected by the N2 running southwest to northeast through the town. As a gateway to a wide range of tourism

offerings, Mthatha is a popular stop-over point on the way to tourist attractions like Coffee Bay and Hole-in-the-Wall in the KSDLM and Port St Johns and Mbotyi in neighbouring LMs. It is linked to East London by the Kei Rail and the major economic activities in the municipality are forestry and agriculture, although agriculture is of more of a subsistence nature.

It is composed of a range of settlement forms and land uses, namely, urban areas, rural settlements, privately owned farms and small holdings. Neighboring local municipalities (LM) are Nyandeni LM to the North-east, Mhlontlo LM to the North, Engcobo LM to the West, and Mbhashe LM to the South.

THE KSD LOCALITY MAP



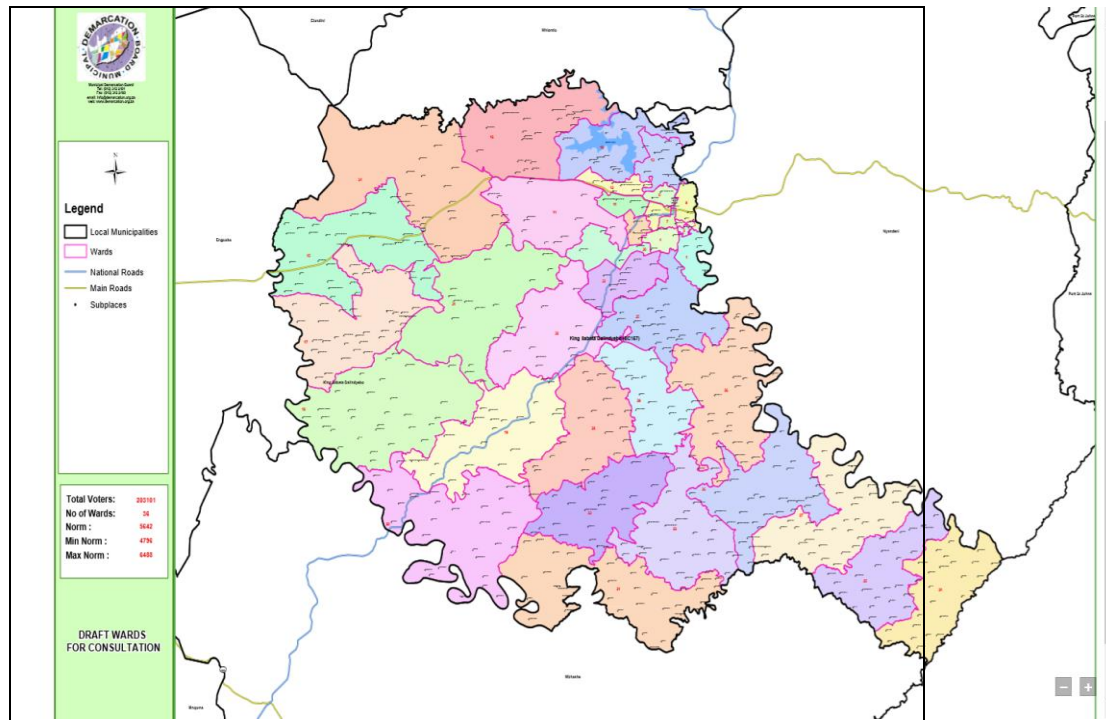
Source: Demarcation Board 2016

1.2 RURAL CHARACTER

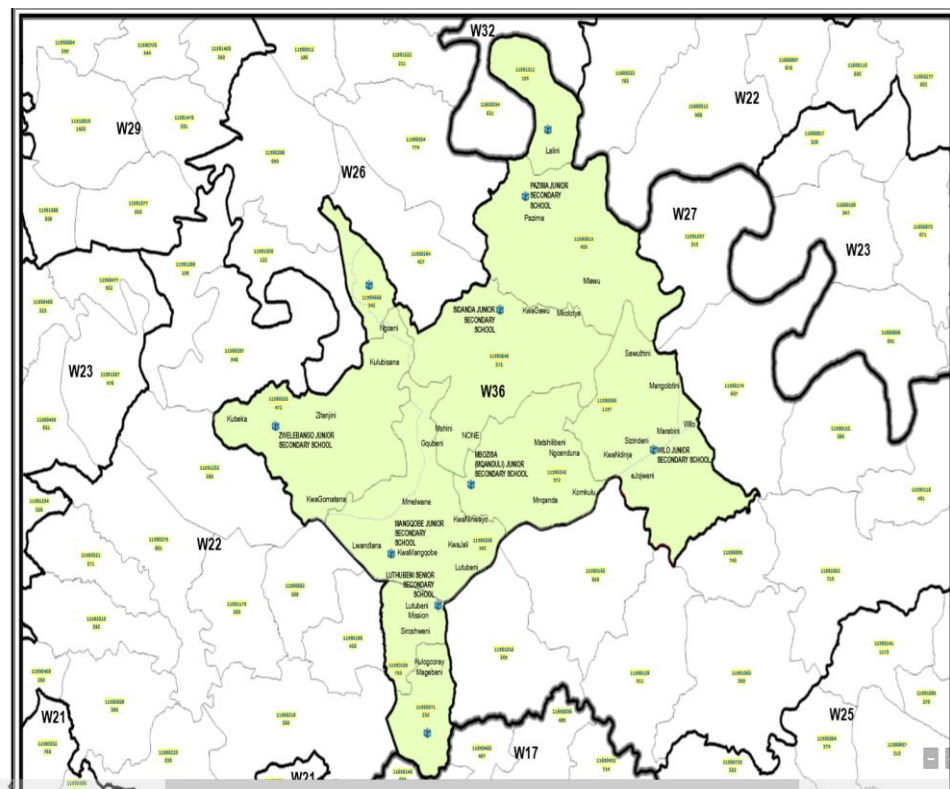
Source: Demarcation Board 2016

King Sabata Dalindyebo Local Municipality (KSDLM) is a municipality in the former Transkei Area which comprised 35 Wards and an additional ward created due to newly delimitation of wards and thus results to 36 wards dominated by rural settlements. The 36th ward is made up of part of ward 22, 25 and bigger portion of Ward 27. KSD is a vast Municipality covering a square kilometres of 3027 of the 12087 of the entire O.R. Tambo District.

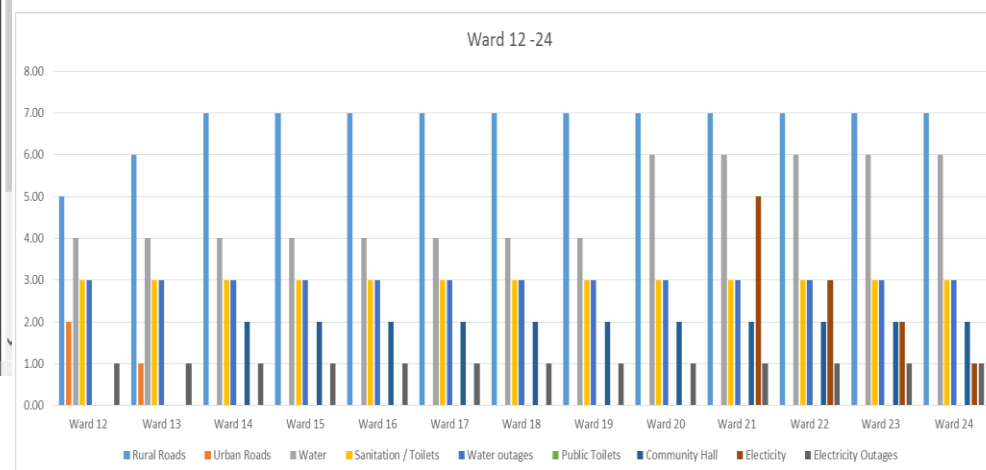
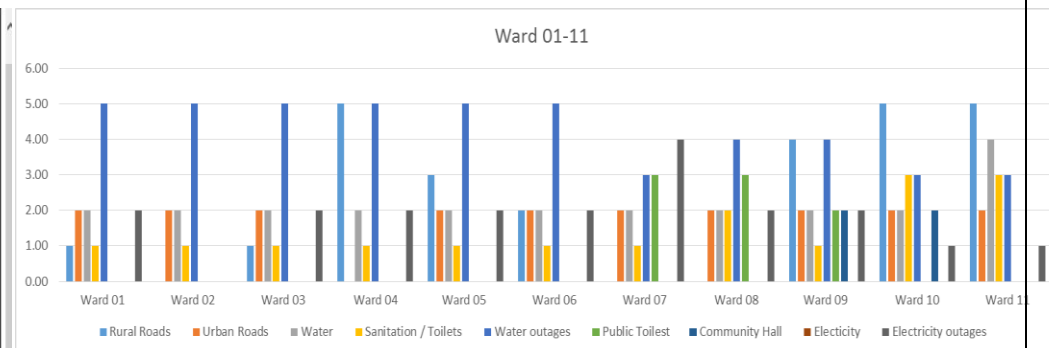
1.2.1 DELIMITATION OF WARDS WITH NEWLY ESTABLISHED BOUNDARIES



1.2.2 WARD 36 (new ward)

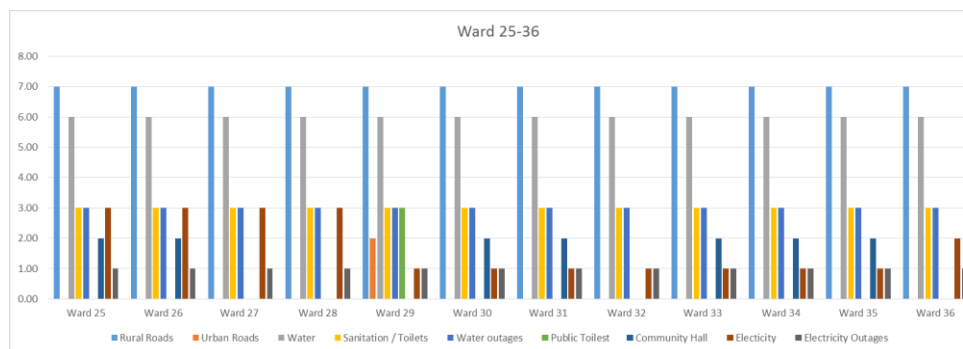


Source: Demarcation Board 2016



1.3 OUR STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS/ CHALLENGES (SWOT) IDENTIFIED IN WARDS

1.3.1 SUMMARY REPORT ON WARD TO WARD ISSUES/ NEEDS ANALYSIS



Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
13 May 2018	11		Cllr Menzelwa M	<ul style="list-style-type: none"> Slow pace of service delivery in the ward Delay in Ward based budget requests Bridge construction delayed by removal of certain houses 	<ul style="list-style-type: none"> Road maintenance Electricity RDP Houses Construction of a bridge between Chris Hani and Mandela Youth development (job creation)

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
	18		Cllr Tokwana S	<ul style="list-style-type: none"> High rate of crime High rate of stock theft Need for stock dams Bad access roads 	<ul style="list-style-type: none"> Water and sanitation Road construction and maintenance Electrification of new sites RDP houses
	26		Cllr Ntliziyombi Z	<ul style="list-style-type: none"> No Comments 	<ul style="list-style-type: none"> RDP Houses Water and Sanitation Road construction Led and Agriculture Electricity
14 May 2018	30		Councillor Bikani B	<ul style="list-style-type: none"> Need for construction of access road, need for RDP houses at Benza village, 	<ul style="list-style-type: none"> High Mast Light Clinic RDP houses

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
				<ul style="list-style-type: none"> need chairs for the community hall, crossing bridge for pedestrians next to Ultra City. 	<ul style="list-style-type: none"> Fencing & tilling of Maize fields Access roads.
	27		Councillor S Mhlaba	<ul style="list-style-type: none"> Cutting Of Alien Plants (uBuqholo) Require more EPWP Employees 	<ul style="list-style-type: none"> Electricity Water & sanitation Roads Construction RDP house Agriculture and farming.
	03		Councillor D Kutu	<ul style="list-style-type: none"> Tarring of Ndesi street & Maintenance of storm water drainage at Ndesi at Ngangelizwe Child Drowned in the storm water drainage 	<ul style="list-style-type: none"> Road tarring & maintenance Community hall/RDP Houses Playing grounds Park

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
				<ul style="list-style-type: none"> Need for street lights at Ndesi street Donkey & sheep are moving around Ngangelizwe Need for middle class houses Bad condition of houses no 491 & 412 Stofile Street. Need for high mast lights at Thembisa community hall 	Renovation
	01		Councillor Voko	<ul style="list-style-type: none"> High rate of Crime & High rate of Unemployment Need for speed humps near Ikwezi Community Bad conditions 	<ul style="list-style-type: none"> RDP Houses High mast lights Sanitation at Nonkobe and Stwayi Road Maintenance

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
				of sport fields	<ul style="list-style-type: none"> Agricultural and farming(Fencing of maize fields)
15 May 2018	32		Councillor Mkhotheli	<ul style="list-style-type: none"> Disaster issue Crime & Drugs are very High Development of Vidgesville to be a town RDP Houses are at very slow pace but not available at Bityi 	<ul style="list-style-type: none"> Water and sanitation Electricity new sites Road maintenance and construction Community hall LED-Youth development
	24		Councillor M J Msakeni	<ul style="list-style-type: none"> Need for ID registration Bad road between Mthonjeni & Hospital Incomplete road from Coffee bay to Buthuma 	<ul style="list-style-type: none"> Electrification RDP houses Roads construction Water & sanitation Job creation

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
				village <ul style="list-style-type: none"> Poor conditions of sport grounds 	programmes
	28		Councillor A Ndzendze	<ul style="list-style-type: none"> Urgent need of stock dam Bad condition of road between Cezu & Mpunzana, Ndakwana to Masimini Lack of water in the whole ward Urgent need of RDP Houses For Ngwayibana affected by Disaster 	<ul style="list-style-type: none"> RDP Houses Water and Sanitation Road construction Led and Agriculture Electricity
	21		Councillor N Diblokwe	<ul style="list-style-type: none"> Need for EPWP employment, need of solar system at Kwenxura village, unused water tank in Dosi village, no water in whole 	<ul style="list-style-type: none"> Road Construction and Maintenance, Water & sanitation Electrification

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
				ward, KSD area near Xhora are not assisted and rather sent Mqanduli town which is far, challenge with changing (South African Social Security Agency) SASSA card.	<ul style="list-style-type: none"> RDP houses
	22		Councillor O. Khotso	<ul style="list-style-type: none"> Solar is needed at Xhorana Need for electricity Community is angry about empty promises by Municipality 	<ul style="list-style-type: none"> Electricity Road Construction RDP houses Water & sanitation Agriculture and farming.
18 May 2018	33		Councillor L Mkhonto	<ul style="list-style-type: none"> OR Tambo is responding late to water Challenges 	<ul style="list-style-type: none"> Road maintenance Water and Sanitation Community

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
					services <ul style="list-style-type: none"> LED & Agriculture Electricity for new sites Agricultural & Farming support Community Service
	34		Councillor S Sikrenya	<ul style="list-style-type: none"> Urgent need for the support of Co Operatives e.g. Masizakhe Agricultural co operatives Old people turned in back by the clinic Staff due to demarcation Need for water provision at Dumrhana area 	<ul style="list-style-type: none"> RDP Houses Clinic Road Maintenance Water scheme LED

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
19 May 2018	14		Councillor Z Luvantyu	Provision of support to Cooperatives Job creation for the Youth Illegal Sand mining Should be stopped.	<ul style="list-style-type: none"> • RDP Houses • Road maintenance and construction • Water and Sanitation • LED –youth development • Electricity upgrade
	15		Councillor N Mkhontwana	Provision of Agricultural inputs for better harvest Construction of road Form R61 to Sixuzulu to be Expedited Need assistance for the for application of Electricity REF NO:	<ul style="list-style-type: none"> • Water and Sanitation • Road construction and maintenance • RDP Houses • Electricity • Agriculture and farming • Youth development

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
	29		Councillor S Mlotywa	Need for Pre School at Mampingeni Need for Stock Dam at Ndlunkulu Village	<ul style="list-style-type: none"> • Water & Sanitation • Roads construction and maintenance • Community halls at lower Ngqwarha • LED – Job creation • RDP houses and disaster houses
	20		Councillor Z Nokayi	Provision of Agricultural inputs for maize Fields Chairs For community Hall at Rara Village Job Creation for Youth.	<ul style="list-style-type: none"> • Water and sanitation • LED farming and agriculture • Construction of roads & maintenance bridge • RDP Houses • Skills

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
					development.
20 May 2018	12		Councillor M Qotyana	Non-functioning of high mast lights at Dosi Village 200 Houses without Electricity at Sifubeni area	<ul style="list-style-type: none"> • RDP House (Slovo park) • Clinic-Slovo & Dosi • Construction and Maintenance • Electricity-High mast lights • Agriculture & farming fencing and dipping tank at Dosi village
	08		Councillor Mapekula E	Dark streets Use of vacant plots by Criminals Illegal sand mining in Norwood Growth of Panel betters in the area of	<ul style="list-style-type: none"> • Road • Electricity (High mast lights). • Housing development • LED

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
				Norwood	Community Service & public safety, youth programmes <ul style="list-style-type: none"> • Water and sanitation.
	07		Councillor T Maqoko	Temporal Structure next to Sidwadwa used by Criminals Urgent need for toilets at taxi ranks and around graveyard as well as public toilets around town	<ul style="list-style-type: none"> • High mast lights • Water and sanitation • Road maintenance • LED (job creation) • Cleaning of town
	16		Councillor Z Gusana	Urgent need of sheep shearing shed & Provision of support to the Transportation of Wool to PE.	<ul style="list-style-type: none"> • RDP houses • Youth development • Agricultural support • Water &

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
					Sanitation • Roads construction & maintenances.
23 May 2018	35		M Councillor Teti	Water pipes without water Cutting of alien plants in maize field Need for dipping tanks Growth of number of mental people in the CBD Provide support to co-operatives	• Water and Sanitation • Access roads maintenance and construction • LED-Agriculture and Farming • Electricity (new sites) • RDP Houses
	36		Councillor M Nyoka	Construction of stock dams and sports field Rectification of ward priorities/needs	• RDP Houses • Road Construction • Water and Sanitation • LED & Agriculture

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
					• Youth Development skills.
	04		Councillor M Mabaso	Pace of Electrification programme is too slow Bad condition of storm water drainage	• Clinic • Mobile Police station • High School at Bhongweni • Water and Sanitation • Multi-purpose Centre
	09		Councillor Jadiso	Cutting of trees(bush at new brighten Need for RDP Houses at phase 4 and community hall	• Road Maintenance and construction • Clinic (Santa) • Community hall • Mobile Police Station • LED- Youth Development

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
24 May 2018	19		Councillor U Daniso	Homeless people affected by disaster	<ul style="list-style-type: none"> • Water • Job Creation • RDP Houses • Road maintenance and construction of access road • Electricity
	13		Councillor N Sibeko	High rate of crime	<ul style="list-style-type: none"> • Electricity • Road Construction • RDP houses • LED • Community services e.g. Community halls and clinics.
	06		Councillor T Machae	<ul style="list-style-type: none"> • Need clear demarcated dumping sites • Astray animals 	<ul style="list-style-type: none"> • Road maintenance • RDP houses and street

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
				<ul style="list-style-type: none"> at southernwood • Fallen street names • Streetlights not functioning • Need for refuse bags • Vacant houses at railway station now used by criminals 	<ul style="list-style-type: none"> names • Street lights • Police visibility • Water and sanitations
	31		Councillor XM Mbongwana	<ul style="list-style-type: none"> • Crime is very high, need of mobile police station • Renovation of stock dams • No sport grounds 	<ul style="list-style-type: none"> • Road construction and maintenance • Water & sanitation • RDP houses • Community hall • Agriculture and farming.

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
25 May 2017	25		Councillor M. Fileyo	Installation of Electricity in progress Construction of RDP Houses in pipeline	<ul style="list-style-type: none"> Electricity RDP houses Removal of alien plants Agriculture and Farming Road maintenance and farming
	10		Councillor R V. Roji	<ul style="list-style-type: none"> Maintenance of roads and bridges, ward 10 is need of high school, clinic is needed in ward 10 or mobile. 	<ul style="list-style-type: none"> Maintenance of road RDP houses Water and Sanitation Electricity Youth development.
	02		Councillor N Gcingca	<ul style="list-style-type: none"> Urgent need for road maintenance, repair for electricity street lights, repair water & 	<ul style="list-style-type: none"> Roads Maintenance Repair electricity Repair water

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
				sanitation, need for refuse bags removal, skip bins, grass cutting multipurpose centre.	& sanitation leakage, <ul style="list-style-type: none"> Community service refuse removal skip bins, grass cutting, Police visibility.
	17		Councillor T Mcimbi	<ul style="list-style-type: none"> Rotary sport node & swimming pool Graveyard at Ngangelizwe 	
				<ul style="list-style-type: none"> Need for the Construction of community hall at Ntabeliza, clinic at Mathambo village, boreholes at Ntabeliza, Lower Xhongorha, (Mxiya river stream, maintenance of road T33 from R61 Bityi junction to N2 	<ul style="list-style-type: none"> Water & sanitation LED & community service Road construction and maintenance RDP houses Electrification of new extension

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
				Mgqumo village, fencing of Ntabeliza J.S.S.	
	23		Councillor M Mrwebi	<ul style="list-style-type: none"> All the villages in ward 23 have been electrified except Gotyibeni location and 12 new extension Need for financial assistance of co-operative incomplete toilet project. 	<ul style="list-style-type: none"> RDP Houses Water and Sanitation Road construction Led and Agriculture Electricity
	05		Councillor N Nelani	<ul style="list-style-type: none"> 09 houses in maintenance require electricity, water outage across the ward, the issue of safety & security was raised as a major problem, the closure of ranks is also raised as 	<ul style="list-style-type: none"> Community service (Road maintenance Recreational community hall, Multipurpose centre) Electricity (High Mast lights)

Date	Ward		Ward Councillor	Community Comments	5 Ward Priority Needs
				concern, skills development programmes to capacitate young people.	<ul style="list-style-type: none"> Public Safety (Satellite Police Station) Water & sanitation.

The municipality still remains committed and continues to pursue the following High Impact Programmes:

- Institutional Re-engineering
- Economic Model
 - Mqanduli as an Agricultural node,
 - Viedgesville as a Logistics Hub,
- Establishment of a new town in Coffee bay
- AGRO Processing and industrialization of agricultural initiative around the Mqanduli town.
- Development of the Mthatha Airport as a Spatial Economic Zone which is linking economic opportunities
- Presidential intervention as continuous project implementation programme
- Special Economic Zones (SEZ)
- Integrated Wild Coast Improvement Programme
- SANRAL, N2 R61 road network upgrades,
- Agri-Park Development
- ICT Broadband and Wi-Fi connectivity

1.4 IDP PROCESS REVIEW 2018/ 19

In line with the requirements of Section 25 (1) of the Municipal Systems Act 32 of 2000, as amended the King Sabata Dalindyebo Municipality has embarked on a robust development of its Integrated Development (IDP) 2018/19 Review and towards 2022 financial year. Based on the same Act, each municipal council must within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- a) Links, integrates and co-ordinate plans and takes into account proposals for the development of the municipality;
- b) Aligns the resources and capacity of the municipality with the implementation of the plan;
- c) Forms the policy framework and general basis on which annual budgets must be based;
- d) Complies with the provisions of this chapter; and
- e) Is compatible with National and Provincial development plans and planning requirements binding the IDP formulation in terms of legislation.

The IDP formulation permits the municipality to improve and align plans and strategies to include additional issues. It also ensures that these plans and strategies inform institutional and financial planning. The development of IDP is based on three major principles namely, consultative, strategic and implementation oriented planning.

Section 34 of the Municipal Systems (Act 32 of 2000) as amended, dictates that each municipal council must engage itself on a continuous review of its Integrated Development Plan (IDP). Based on the review a municipal council may amend its integrated development plan in accordance with the requirements set out in the Municipal Systems Act 32 of 2000, the Local Government: Municipal Planning and Performance Management Regulations 2001 and 2006 and the Municipal Finance Management Act 56 of 2003.

The IDP review permits the municipality to improve and align plans and strategies, to include additional issues and to ensure that these plans and strategies inform institutional

and financial planning. The review and amendment of the IDP thus, further develops the IDP and ensures that it remains the principal management tool and strategic instrument for the Municipality. The review of this IDP will be based on three major principles namely, consultative, strategic and implementation oriented planning. The IDP formulation and implementation process will therefore be guided by the following legislation or policies:

- Constitution of the Republic of South Africa, 1996
- Local Government: Municipal Systems Act, 2000
- Local Government: Municipal Structures Act, 1998 as amended
- Local Government Municipal Finance Management Act, 2003
- White Paper of Local Government
- The Provincial Growth and Development Plan (2010) as well as other National Policies
- Spatial Planning and Land Use Management Act, 2014

A good environment for the preparation of the IDP has been established. As prescribed by Section 28 of MSA, a process plan was prepared and adopted by Council. The process plan made provision for institutional arrangements, roles and responsibilities, the Organisational structure, procedures and mechanisms for public participation and for alignment of the IDP with that of the O.R Tambo District Municipality.

The main purpose of the IDP is to foster more appropriate service delivery by providing the framework for economic and social development within the municipality. In doing so it contributes towards eradicating the development legacy of the past, operationalises the notion of developmental local government and foster a culture of co-operative governance amongst the three spheres.

a) IDP Objectives

Integrated development planning is a process whereby municipalities prepare strategic development plans for a five-year period. IDPs are the main platform through which sustainable provision of service delivery could be achieved. They intend to promote co-ordination between local, provincial and national government. Once adopted by Council, these plans should inform planning, decision making, budgeting, land management,

promotion of local economic development, and institutional transformation in a consultative systematic and strategic manner.

The main objective of developing an IDP is the promotion of developmental local government, through the following:-

- Institutionalising performance management in order to ensure meaningful, effective and efficient delivery (monitoring, evaluation and review), speed up service delivery through making more effective use of scarce resources
- Enabling the alignment and direction of financial and institutional resources towards agreed policy objectives and programmes
- Ensure alignment of local government activities with other spheres of development planning through the promotion of intergovernmental co-ordination.

b) Status of the IDP

This IDP replaces all previous IDPs that have been approved by the previous Councils. The IDP is a legal document that must be approved by the Council.

According to Section 26 of the MSA the Municipal Spatial Development Framework (MSDF) must be aligned to the IDP. All other spatial plans must be aligned with the MSDF. Therefore, no spatial plan of the municipality may contradict the MSDF or the IDP.

Section 35(2) of the MSA, indicates that a spatial development framework contained in the Integrated Development Plan prevails over a plan defined in section 1 of the Physical Planning Act, 1991 (Act No. 125 of 1991). Section 1 of the Physical Planning Act defines 'plan' as a national plan, a regional development plan, a regional structure plan or an urban structure plan.

- Assist the municipality to focus on environmentally sustainable development strategies and delivery
- Assist in the development of a holistic strategy for local economic development and job creation in the context of a strong poverty alleviation focus.
- Strengthen democracy and institutional transformation

- Attracting additional funds from private investors and sector departments as the IDP indicates a developmental direction.

A critical concept in the development of an IDP is ensuring that integration takes place. The IDP process and development of plans amounts to an advantage to ensure alignment of all the plans with the IDP. This will ensure that consolidated and integrated sectoral programmes will be developed and that aspects, both horizontally and vertically, ranging from spatial, economic, environmental and social impacts are completely connected.

This IDP also aims to:-

- Create a higher level of focus and thereby improve the strategic nature of the document;
- Align this strategic document with the limited financial and human resources
- Align the IDP with the activities of the municipality's departments and other social partners in other spheres of government
- Align the IDP with the various sector and management plans of the municipality.

c) Institutional Arrangements

IDP process are properly managed and implemented accordingly. A joint effort between the different role players is imperative in order for fair and just decisions to be reached.

Organizational arrangements are based on the following principles:

- Public Participation has to be institutionalized to ensure that all residents have an equal right to participate
- Structural participation must specify the participants, who they represent, issues to be taken forward, organizational mechanisms and the effects of the participation.

- The Municipal Council adopts and approves the Process Plan and for the purposes of the IDP Process will undertake the overall management and co-ordination of the planning process which includes ensuring that:
 - All relevant actors and procedures for the Public Consultation and participation are applied.
 - The planning events are undertaken in accordance with the time scheduled
 - The Planning process is related to the real burning issues in the Municipality
 - It is a strategic and implementation orientated process
 - The sector planning requirement is satisfied
 - Adopts and approves the IDP
 - Adjusts the IDP in accordance with the MEC of DLGTA's proposal
 - Ensures that the annual business plans, budget and land use management decisions are linked to and based on the IDP

The IDP Guide Pack recommends the following roles and responsibilities:-

➤ **Mayor**

The Mayor Co-ordinates and makes the final decisions on issues regarding the process plan.

➤ **IDP Manager**

The IDP Manager as delegated by the Municipal Manager has the responsibility to prepare, properly manage, monitor, organize and implement the planning process on a daily basis.

➤ **Technical Committee**

As the persons in charge for implementing IDP's, the technical/ sector officers must be fully involved in the planning process to:-

- Provide methodological assistance on the development of IDP Process Plan

- Manage and monitor the IDP, Budget and PMS from development of IDP, Budget and PMS Process plan until the final approval of IDP, Budget and PMS
- Provide relevant technical, sector and financial information for analysis for determining priority issues.
- Contribute technical expertise in the consideration and finalisation of strategies and identification of projects.
- Provide departmental operational and capital budgetary information.
- Be responsible for the preparation of project proposals, the integration of projects and sector programmes.
- Be responsible for preparing amendments to the draft IDP for submission to the municipal council for approval and the MEC for local government.

➤ **IDP Steering Committee**

A steering committee, in order to master the integration and ensure horizontal and vertical alignment has to be formally established and composed as follows:-

Chaired by: The Municipal Manager

Secretariat:-Appointed professional team/ IDP Unit (where applicable)

Composition:

Heads of Departments (KSD Municipality)

- Director: Rural & Economic Development
- Chief Financial Officer
- Director: Infrastructure
- Director Human Settlements
- Director: Corporate Services
- Director: Community Services
- Director: Public (Community) Safety

Other senior officials (permanent on ad hoc basis):

- General Managers and Middle Management

Other appointed officials

- Senior Managers from National and Provincial Departments, OR Tambo District Municipality, sister municipalities and Parastatals
- Sector Specialists (Heads of all sector departments)

➤ IDP Representative Forum (Community Representation)

The IDP Representative forum is the structure which institutionalises and guarantees representative participation in the IDP process. The selection of members to the IDP representative forum has to be based on criteria which ensure geographical and social representation.

The composition of the IDP Representative forum:

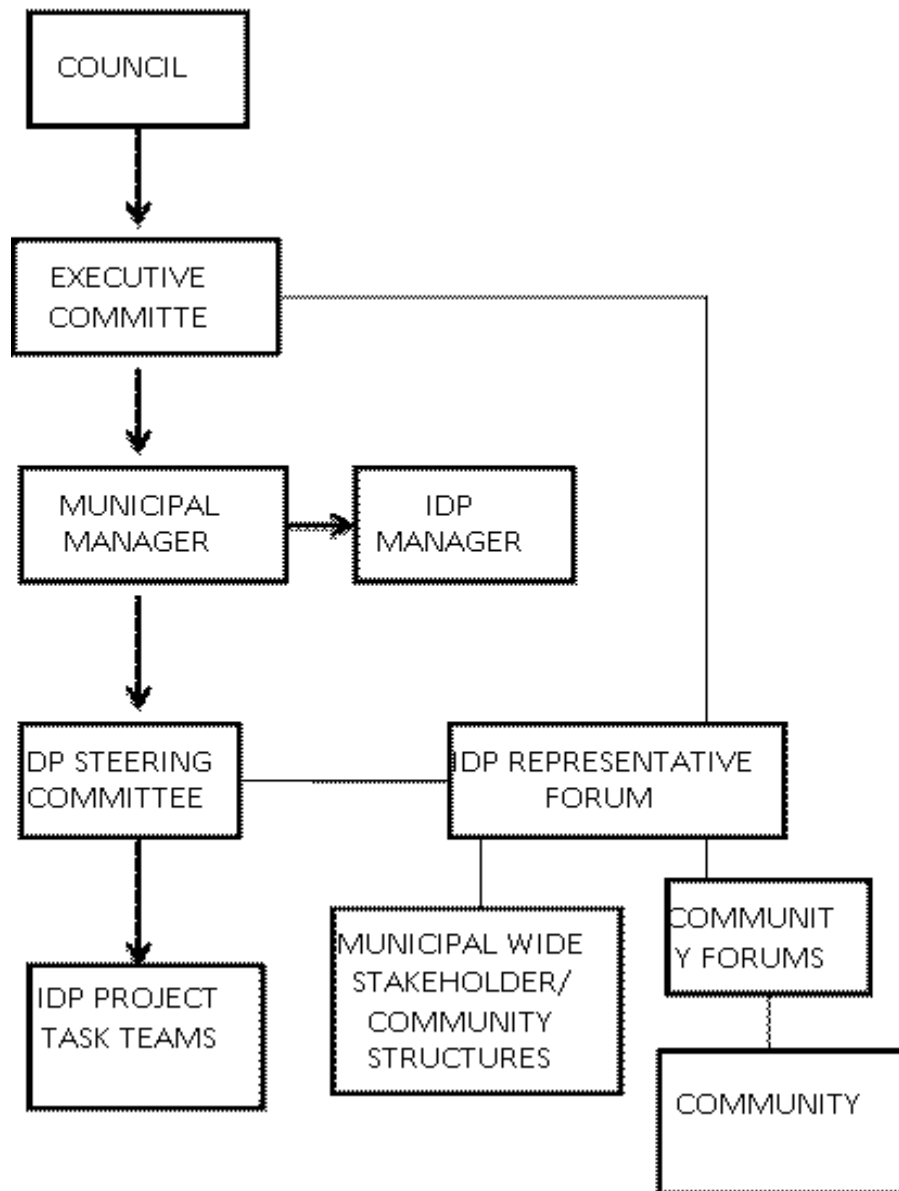
Chairperson- Executive Mayor or a Member of the committee of appointed councillors

Secretariat- IDP steering committee (Municipal Manager / IDP Manager/ Appointed Professional Team)

Members:

- All Steering Committee Members
- Members of the executive committee/mayoral committee/committee of appointed councillors
- Councillors (including councillors who are members of the district council and relevant portfolio councillors)
- Traditional leaders
- Ward committee Secretaries
- Community Development Workers
- Community Health Workers
- Heads of Department/Senior Officials (internal)
- OR Tambo District Municipality
- National and Provincial Government departments

- Organised Business and Labour
- Stakeholders' representatives of organised groups (NGOs, CBOs, etc.)
- Co-Operatives, Taxi Associations
- Resource persons; and
- Relevant Community representatives



1.4.1 Organisational structure of the IDP process

Mechanisms and Procedures for Public Participation

One of the main features of the IDP Process is the involvement of the community and stakeholder organization in the process as well as participation of affected and interested parties to ensure that the IDP addresses the real issues that are experienced by the citizens of the municipality.

Public Participation Principles

- In order to ensure public participation, Chapter 4 (Sec 17 to 22) of the Municipal Systems Act requires the municipality to create appropriate conditions that will enable participation as a minimum requirement.
- The elected Council is the ultimate decision-making body on IDP s
- The role of participatory democracy is to inform stakeholders and negotiate with them on issues of development planning
- To give stakeholders an opportunity to provide input on decisions taken by Council
- This should be done in particular with regard to disadvantaged and marginalized groups

Structured Participation

- A structured public process was followed
- It is critical for the municipality to embark on a ward based approach in order to reach the vast majority of the community and document their needs and aspirations.
- Use of ward to ward community IDP Outreach.
- Existing public participation structures were utilised, for example the existing Representative Forum

- The residents and stakeholders were informed of the Municipalities intention to embark on the IDP Process
- Appropriate forms of media were utilised to ensure that all members of the community are notified of progress of the IDP as well as planned meetings
- The Municipality website was also utilised to communicate and inform the community. Copies of the IDP and Budget will be uploaded on the website.
- All relevant community and stakeholder organizations will be invited to register as members of the IDP representative Forum
- An appropriate language and accessible venues will be used to allow all stakeholders to freely participate
- The IDP Rep Forum meetings will be scheduled to accommodate the majority of members
- The Community and Stakeholders representatives will be given adequate time to conduct meetings or workshop with the groups they represent
- Copies of the IDP Documents will be accessible for all communities and stakeholders with adequate time provided to comment
- Council meetings regarding the approval of IDP will be open to the public
- IDP Outreach meetings will be called and will be communicated with the Traditional Leaders and the bigger community.

One of the major challenges is the lack of participation of sector departments; as a result the municipality had a meeting focusing on strengthening the IGR Forum. The participation of government departments have improved but it needs a concerted effort to ensure that it is honoured by all stakeholders.

Public Participation Process

Public participation was encouraged throughout the IDP process, to empower communities and harness vibrant democratic culture within the decision making processes of the municipality. Public participation was promoted in the following manner:-

- Use of the IDP Representative Forum to afford participants an opportunity to contribute to the process and share the views of their communities

- Use of the IDP steering committee to debate technical solutions, even though participation was found to be weak in some instances. The need to intensify the IGR structure cannot be overemphasized.
- Traditional Leaders, Ward Councillors, Community Development Workers and Ward Committees who convene meetings to keep communities informed on the IDP progress as well as conveying community needs to the IDP process.
- Newspaper advertisements to inform communities of the key steps in the process.
- Making the IDP available for public comment and once adopted making the IDP document accessible to all members of the public
- Appropriate language usage including Xhosa, in the IDP meetings.
- The management of the high levels of illiteracy in the community through facilitation, simple linguistics and explanations in mass meetings which ensured that people understand the process and are empowered to participate in the IDP process.

d) Legislative Framework

The Constitution of the Republic of South Africa regulates and directs the operations and existence of the local sphere of government. Section 152 of the Constitution clearly sets out the objects of local government. A municipality must strive to achieve the following objects:-

- a. To provide democratic and accountable government for local communities;
- b. To ensure the provision of services to communities in a sustainable manner;
- c. To promote social and economic development;
- d. To promote a safe and healthy environment and;
- e. To encourage the involvement of communities and community organization in matters of local government.

Section 153 of the Constitution also stipulates that a municipality must:-

- f. Structure and manage its administration and budgeting and planning process to give priority to basic needs of the community and to promote the social and economic development of the community; and
- g. Participate in national and provincial development programmes.

Section 25 of the Local Government Municipal Systems Act 32 of 2000, amended 2009 (MSA) stipulates that each municipal council must, after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality and which aligns the resources and capacity of the municipality with the implementation of the plan. The IDP should form the policy framework and general basis by which annual budgets must be based on and should be compatible with the national and provincial development plans and planning requirements.

Section 26 of the MSA prescribes the following peremptory components that an IDP must reflect on:-

- a. The municipal Council's vision including the municipal critical development and transformation needs;
- b. An assessment of existing level of development in the municipality;
- c. The Council's developmental priorities and objectives including its local economic development aims;
- d. The Council's developmental strategies which must be aligned to national and provincial sector plans;
- e. A spatial development framework which must include the provisions of basic guidelines for a land use management system;
- f. The Council's operational strategies;
- g. A financial plan; which must include a budget projection for the next three years; and
- h. The key performance indicators and performance targets determined in terms of section 41 of the MSA 34 of 2000

The Municipal Planning and Performance Management Regulations (2001) sets out the following further requirements for an IDP:

- a. An institutional framework for implementation of the IDP and to address the municipality's internal transformation;
- b. Investment initiatives must be clarified;
- c. Development initiatives including infrastructure, physical social and institutional development; and

- d. All known projects, plans and programmes to be implemented within the municipality by any organ of state.

The Municipal Finance Management Act 56 of 2003 (MFMA) provides for closer alignment between the annual budget and the compilation of the IDP.

1.5 Inter-Governmental Planning

Section 41(1) of the Constitution contains the principles of co-operative government and inter-governmental relations. Accordingly Section 41(1) determines that:

All spheres of government and all organs of state within each sphere must:-

- a. preserve the peace, national unity and the indivisibility of the Republic;
- b. secure the well-being of the people of the Republic;
- c. provide effective, transparent, accountable and coherent government for the Republic as a whole;
- d. be loyal to the Constitution, the Republic and its people;
- e. respect the constitutional status, institutions, powers and functions of government in the other spheres;
- f. not assume any power or function except those conferred on them in terms of the Constitution;
- g. exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; and
- h. co-operate with one another in mutual trust and good faith by:-
 - i. fostering friendly relations;
 - ii. Assisting and supporting one another;

- iii. Informing one another of, and consulting one another on, matters of common interest;
- iv. Coordinating their actions and legislation with one another;
- v. adhering to agreed procedures; and
- vi. Avoiding legal proceedings against one another.

In essence “**intergovernmental relations**” means relationships that arise between different spheres of governments or between organs of state from different governments in the conduct of their affairs. The Constitution states that the three spheres of government are distinctive, inter-dependent and inter-related. They are autonomous, but exist in a unitary South Africa and have to cooperate on decision-making and must co-ordinate budgets, policies and activities, particularly for those functions that cut across the spheres. Cooperative governance means that national, provincial and local government should work together to provide citizens with a comprehensive package of services. They have to assist and support each other, share information and coordinate their efforts. Implementation of policies and government programmes particularly require close cooperation between the three spheres of government.

A number of policies, strategies and development indicators have been developed in line with the prescriptions of legislation to ensure that all government activities are aimed at meeting the developmental needs expressed at the local government level.

This section outlines the national and provincial policy directives, sector plans and legislation that set the strategic direction and with which local government must align to ensure that government spending is aligned to the more pressing needs of communities and those that make the economy to grow.

National Development Policies	Provincial Development Policies
<ul style="list-style-type: none"> ❖ The New Growth Path; ❖ The Outcomes Approach 2010; ❖ Green Paper on National Strategic Planning of 2009; 	<ul style="list-style-type: none"> ❖ Medium Term Strategic Framework (MTSF); ❖ Provincial Growth and Development Programme (PGDP).

<ul style="list-style-type: none"> ❖ Government Programme of Action 2010; ❖ Medium Term Strategic Framework (MTSF) 2017-2020 ❖ National Key Performance Indicators (NKPis); ❖ Accelerated and Shared Growth Initiative for South Africa (AsgiSA); ❖ Breaking New Ground Strategy 2004; ❖ Comprehensive Rural Development Programme; ❖ National Infrastructure Maintenance Programme; ❖ Land Care Programme; ❖ Local Government Turnaround Strategy; ❖ National 2014 Vision; and ❖ National Spatial Development Perspective (NSDP). 	<ul style="list-style-type: none"> ❖ Spatial Development Perspective
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1.5.1 Mechanism for National Planning Cycle

Policy or Strategy	Guiding Principles
The proposed National Strategic Vision	<p>The Green Paper on National Strategic Planning of 2009 proposed the National Planning Commission, that will direct the development of a long-term strategic plan, called South Africa Vision 2025. Also proposes national spatial guidelines, and an overarching spatial framework spelling out government’s spatial priorities in order to focus on government action and provide the platform for alignment and coordination.</p> <p>The preparation of the three key products of the planning cycle is proposed namely:</p> <ul style="list-style-type: none"> ❖ long term product (National Strategic Vision)

Policy or Strategy	Guiding Principles
	<ul style="list-style-type: none"> ❖ medium term product (MTSF); and ❖ short term product (Action Programme) <p>These will all set the strategic direction from which all spheres of government should take guidance.</p>
Medium Term Strategic Framework (MTSF) (2017-2020)	<p>The basic thrust of the Medium Term Strategic Framework 2017 – 2020 is to improve the conditions of life of all South Africans and contribute to building a better Africa and a better world. The MTSF base document is meant to guide planning and resource allocation across all the spheres of government. Informed by the MTSF and, municipalities are expected to adapt their Integrated Development Plans in line with the national medium-term priorities.</p> <p>These strategic priorities set out in the MTSF are as follows:</p> <ul style="list-style-type: none"> ❖ Strategic Priority 1: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods. ❖ Strategic Priority 2: Massive programme to build economic and social infrastructure. ❖ Strategic Priority 3: Comprehensive rural development strategy linked to land and agrarian reform and food security. ❖ Strategic Priority 4: Strengthen the skills and human resource base. ❖ Strategic Priority 5: Improve the health profile of all South Africans. ❖ Strategic Priority 6: Intensify the fight against crime and corruption. ❖ Strategic Priority 7: Build cohesive, caring and sustainable communities. ❖ Strategic Priority 8: Pursuing African advancement

Policy or Strategy	Guiding Principles
	<p>and enhanced international cooperation.</p> <ul style="list-style-type: none"> ❖ Strategic Priority 9: Sustainable Resource Management and use. ❖ Strategic Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions. <p>The MTSF will be the central guide to resource allocation across the three spheres of government. At the same time, a comprehensive review of expenditure patterns of departments should open up possibilities for savings and reprioritisation. In the preparation and interrogation of budgetary submissions, account should be taken of the priorities identified above, including decent jobs, human capital development and rural development.</p>
Government's Programme of Action	<p>The Programme of Action (PoA) is an annual statement of government's priorities for the year. It aims to outline government's major plans for the year ahead. The PoA is informed by the MTSF, the deliberations of the January Cabinet Lekgotla and the President's State of the Nation Address.</p> <p>To give effect to the strategic objectives, the MTSF identifies ten (10) priorities which government work must be cantered around.</p> <ul style="list-style-type: none"> ❖ speed up economic growth and transform the economy to create decent work and sustainable livelihoods; ❖ introduce a massive programme to build economic and social infrastructure; ❖ develop and implement a comprehensive rural development strategy linked to land and agrarian reform and food security; ❖ strengthen the skills and human resource base; ❖ improve the health profile of all South Africans; ❖ intensify the fight against crime and corruption;

Policy or Strategy	Guiding Principles
	<ul style="list-style-type: none"> ❖ build cohesive, caring and sustainable communities; ❖ pursue African advancement and enhanced international cooperation; ❖ ensure sustainable resource management and use; and ❖ Build a developmental state, improve public services and strengthen democratic institutions.

1.5.2 Outcomes Based Approach to Delivery

To give effect to the above priorities, government has embarked on an outcomes-based approach to ensure the delivery / implementation of these priorities. In line with this approach, government has formulated and agreed on twelve key Outcomes, based on the ten MTSF priorities. These Outcomes have been expanded into high-level outputs and activities, which in turn formed the basis of a series of performance agreements between the President and relevant Ministers.

While all of the Outcomes can to some extent be supported through the work of local government, Outcome 9 is specifically directed at local government:

9. A responsive, accountable, effective and efficient local government system:

- Output 1: Implement a differentiated approach to municipal financing, planning & support
- Output 2: Improving access to basic services;
- Output 3: Implementation of the Community Work Programme;
- Output 4: Actions supportive of the human settlement outcome;
- Output 5: Deepen democracy through a refined Ward Committee model;
- Output 6: Administrative and financial capability; and
- Output 7: Single window of coordination.

1.5.3 Sectoral Strategic Direction

In addition to the above national strategic guidance, certain sector-specific policies and strategies are also of relevance. Some of the most recent are the following:

Policy or Strategy	Guiding Principles
The New Growth Path	<p>This National Policy framework deals specifically with issues such as creating decent work, reducing inequality and defeating poverty through “a restructuring of the South African economy to improve its performance in terms of labour absorption as well as the composition and rate of growth”. Of practical consequence to local government, are the specific job drivers that have been identified:</p> <ol style="list-style-type: none"> 1. Substantial public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy. 2. Targeting more labour-absorbing activities across the main economic sectors – the agricultural and mining value chains, manufacturing and services. 3. Taking advantage of new opportunities in the knowledge and green economies. 4. Leveraging social capital in the social economy and the public services. 5. Fostering rural development and regional integration. <p>As a first step, it is proposed that efforts to support employment creation in the following key sectors should be prioritised:</p> <ul style="list-style-type: none"> ❖ infrastructure ❖ the agricultural value chain ❖ the mining value chain ❖ the green economy ❖ manufacturing sectors, which are included in IPAP2, and ❖ Tourism and certain high-level services.
Comprehensive Rural Development Programme, 2009	<p>“The CRDP is focused on enabling rural people to take control of their destiny, with the support from government, and thereby dealing effectively with rural</p>

	<p>poverty through the optimal use and management of natural resources. This will be achieved through a co-ordinated and integrated broad based agrarian transformation as well as the strategic investment in economic and social infrastructure that will benefit the entire rural communities.” To ensure the achievement of rural development objectives, a three-pronged strategy including agrarian transformation, rural development and land reform is proposed:</p> <ul style="list-style-type: none"> ❖ Agrarian Transformation: increased production and the optimal and sustainable use of natural resources; livestock farming and cropping, including the related value chain processes; the establishment and strengthening of rural livelihoods for vibrant local economic development; the use of appropriate technology, modern approaches and indigenous knowledge systems; and food security, dignity and an improved quality of life for each rural household. ❖ Rural development: the establishment of economic and social infrastructure. ❖ Land Reform: Increasing the pace of land redistribution; fast-track the settlement of labour tenant claims, especially in KwaZulu-Natal and Mpumalanga; speeding up the settlement of outstanding land restitution claims; and effective support to all land reform programmes through land planning and information.
Comprehensive Plan for the Development of Sustainable Human Settlements (“Breaking new Ground” / BNG),	BNG defines sustainable human settlements as “well-managed entities in which economic growth and social development are in balance with the carrying capacity of the natural systems on which they depend for their existence and result in sustainable development, wealth creation, poverty alleviation and equity” (p11). The

2004.	development of sustainable human settlements go beyond the development of houses, and should also include appropriate social and economic infrastructure, offer a variety of options in appropriate housing solutions to choose from (e.g. different tenure forms), and should contribute to spatial restructuring.
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Additional to the above, there is a wide range of other policy and legislation which is of relevance to KSDM, the summary is included below:-

Legislation or Policy	Sector	Principles
Intergovernmental Relations Framework Act 13 of 2005	Institutional	Institutional mechanisms for intergovernmental relations; provision for implementation protocols.
Division of Revenue Act (DoRA)		Portion of funds raised by national government distributed to local government, important consideration in budgeting / financial planning.
Local Government: Municipal Finance Management Act (MFMA) 56 of 2003		Framework for financial management and governance.
Municipal Property Rates Act 6 of 2004		Enhancing the local government revenue base.

Legislation or Policy	Sector	Principles
Redetermination of the Boundaries of Cross-Boundary Municipalities Act 6 of 2005		Re-demarcation of part of cross-boundary municipalities into separate provinces.
Municipal Fiscal Powers and Functions Act 12 of 2007		Options for replacement of RSC and JSB Levies
Local Government: Municipal Systems Act 32 of 2000	Disaster Management Plan	Disaster Management Plan (should form part of IDP).
Comprehensive Plan for Sustainable Human Settlements, 2004 (Breaking New Ground)	Human Settlements	<p>Principles for Housing Development, relevant for housing / human settlements strategy and targets to be contained in IDP:</p> <ul style="list-style-type: none"> ❖ Ensure that property can be accessed by all as an asset for wealth creation and empowerment; ❖ Leverage growth in the economy; ❖ Combat crime, promoting social cohesion and improving quality of life for the poor; ❖ Support the functioning of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom

Legislation or Policy	Sector	Principles
		<p>and the second economy slump;</p> <ul style="list-style-type: none"> ❖ Utilise housing as an instrument for the development of sustainable human settlements, in support of spatial restructuring; ❖ Promote densification and integration; ❖ Enhance the location of new housing.
The Housing Amendment Act 5 of 2001		<p>The Housing Amendment Act of 2001 defines housing development as “the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities in areas allowing convenient access to economic opportunities, and to health, educational and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis, have access to-</p> <ul style="list-style-type: none"> a. permanent residential structures with secure tenure, ensuring internal and external privacy and providing adequate protection against the elements; and

Legislation or Policy	Sector	Principles
		b. potable water, adequate sanitary facilities and domestic energy supply;"
White Paper on National Transport Policy, 20 August 1996 (old) National Land Transport Transition Act 22 of 2000 now replaced by Act 5 of 2009	Transport	<ul style="list-style-type: none"> ❖ Give priority to public transport; ❖ Move away from supply-driven (operators') system to a demand-driven system in terms of higher-density developments; ❖ Provide affordable transport to the public; ❖ Integrate modes; ❖ Work towards cost-efficiency and service quality; ❖ Integrate land transport with land use (integrated planning); ❖ Optimise available resources; ❖ Consider needs of special category of passengers in planning; ❖ All spheres of government to promote of public transport. <p>Relationship between plans according to the Act (section</p>

Legislation or Policy	Sector	Principles
		<p>19(2):</p> <p><i>"(c) every transport authority and core city, and every municipality required to do so by the MEC, must prepare a public transport plan of which a current public transport record and an operating licenses strategy, and, if it has subsidized public transport services, a rationalisation plan, form components;</i></p> <p><i>(d) Transport authorities and core cities, and other municipalities requested by the MEC, must prepare an integrated transport plan of which the public transport plan forms a component."</i></p> <p>The Act provides for the following plans, depending on municipality's status as transport authority:</p> <p>"Section 19(1): ...</p> <p><i>c)(c) current public transport records provided for in section 23;</i></p> <p><i>d)(d) operating licenses strategies provided for in section 24;</i></p> <p><i>e)(e) rationalisation plans provided for in section 25;</i></p> <p><i>f)(f) public transport plans provided for in section 26;</i></p> <p><i>g) Integrated transport plans provided for in section 27."</i></p>
Water Services Act, 108 of 1997	Water	Water Service Development Plan (for water service authorities);

Legislation or Policy	Sector	Principles
		CALLM is the WSA for its area.
National Environment Management: Air Quality Act 39 of 2004	Environment	Air Quality Management Plan (should form part of IDP)
National Waste Management Strategy March 2010 developed in terms of the National Environmental Management: Waste Act 59 of 2008		Integrated Waste Management Plan: Waste Management Planning was established in terms of the National Waste Management Strategy (form part of IDP).
National Environmental Management Act 107 of 1998		<ul style="list-style-type: none"> ❖ Implementation of Sustainability Principles in development ❖ Environmental Impact Assessment (relevant to project planning / implementation)
Development Facilitation Act 67 of 1995	Spatial Planning	<p>Promote residential and employment opportunities in close proximity or integrated with each other;</p> <ul style="list-style-type: none"> ❖ Optimise the use of existing infrastructure including bulk infrastructure, roads, transportation and social facilities; ❖ Promote a diverse combination of land uses, also at the level of individual erven; ❖ Contribute to more compact towns and cities;

Legislation or Policy	Sector	Principles
		❖ Encourage environmental sustainable land development practices.
Local Government: Municipal Systems Act 32 of 2000		Compilation of Spatial Development Framework that forms part of the IDP

The legislation set out in the table above is a reflection of the relevant and generic development principles set out in the government policies and strategies discussed above, namely:

- ❖ The development of a more compact urban form that promotes:
 - Residential and employment opportunities in close proximity to, or integrated with each other;
 - A diverse combination of land uses, also at the level of individual erven; and
 - Densification and integration.
- ❖ The optimisation of the use of existing infrastructure, including bulk infrastructure, roads, transportation and social facilities;
- ❖ The support and prioritisation of the development of viable and sustainable public transportation systems to provide access to opportunities;
- ❖ Ensuring viable communities who have convenient access to economic opportunities, infrastructure and social services.

1.5.4 The New Economic Growth Path

This framework, aimed at enhancing growth, employment creation and equity, has as its principal target the creation of five million jobs over the next 10 years. Central to the New Growth Path is a massive investment in infrastructure as a critical driver of jobs across the economy. This calls for all spheres of government to prioritise job creation by ensuring that all programmes have an element of job creation. The framework:

- Identifies five key areas for large-scale public investment and job creation, i.e. Energy, Transport, Communication, Water, and Housing;
- Regards the infrastructure programme as a trigger to build a local supplier industry for the manufacture of the components for the build-programme;
- Identifies specific measures, particularly changes to procurement policy and regulations, to ensure delivery on its targets; and
- Highlights as risks the fragile global recovery, competition and collaboration with the new fast-growing economies, and competing domestic interests.

Five other priority areas are identified as key contributors to job creation in partnerships between the State and the private sector, viz.:

- *Green Economy*: Expansions in construction and the production of technologies for solar, wind and bio-fuels are supported by the draft Energy and Integrated Resource Plan. Clean manufacturing and environmental services are projected to create 300 000 jobs over the next decade.
- *Agriculture*: Jobs will be created by addressing the high input costs and up-scaling processing and export marketing. Support for smallholders will include access to key inputs. Government will explore ways to improve working and living conditions for the country's 660 000 farm workers. The growth path also commits Government to unblocking stalled land transfers, which constrain new investment.
- *Mining*: This includes a call for increased mineral extraction, improvements in infrastructure and skills development and beneficiation, which can create large-scale employment. It foresees the establishment of a State-owned mining company concentrating on beneficiation and enhanced resource exploitation in competition with a strong private mining sector.
- *Manufacturing*: The focus is on re-industrialisation of the South African economy through innovation, skills development and reduced input costs in the economy. A target of doubling of South Africa's research and development investment to 2% of gross domestic product by 2018 is set.
- *Tourism and other High-Level Services*: The framework regards these areas as holding significant employment potential, and calls for South Africa to position itself as the higher education hub of the African continent.

While leaders throughout the world have undertaken unprecedented efforts to achieve these goals, much still needs to be done. This IDP, like all other development plans, presents an opportunity to do so.

1.5.5 The National Development Plan (Vision 2030)

In 2009 when the current leadership of the country took office, two shortcomings were identified two shortcomings in the administration that needed immediate correcting. One was the lack of performance monitoring mechanisms, to fill the monitoring gap, a Ministry and department responsible for performance monitoring and evaluation was established. The second was the need to introduce long term planning so that government could align its policies with a long-term development plan. The intention was to move away from silos and narrow-minded planning and look at our country as one holistic entity that should develop comprehensively, in every corner. The Ministry for the National Planning Commission in the Presidency was established to fulfil this task.

Experts in the areas: - economics, finance, social services, rural development, energy, public policy and governance, infrastructure development, urban and regional planning, education and training, health, agriculture and food security, climate change, local government and scenario planning were appointed to work with Minister Manuel as commissioners in the National Planning Commission. The team at National Planning Commission was asked to produce reports on a range of issues that impact on the country's long term development, such as water security, climate change, food security, energy security, infrastructure planning, human resource development, defence and security matters, the structure of the economy, spatial planning, demographic trends and so forth. The National Planning Commission conducted its work guided by the Constitution of the Republic, and the end result was the National Development Plan (NDP) which outlines what type of society the country must build. The National Development Plan offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal.

As a long-term strategic plan, it serves four broad objectives:

1. *Providing overarching goals for what we want to achieve by 2030.*

2. *Building consensus on the key obstacles to us achieving these goals and what needs to be done to overcome those obstacles.*
3. *Providing a shared long-term strategic framework within which more detailed planning can take place in order to advance the long-term goals set out in the NDP.*
4. *Creating a basis for making choices about how best to use limited resources.*

The Plan aims to ensure that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality.

The core elements of a decent standard of living identified in the plan are:

- *Housing, water, electricity and sanitation*
- *Safe and reliable public transport*
- *Quality education and skills development*
- *Safety and security*
- *Quality health care*
- *Social protection*
- *Employment*
- *Recreation and leisure*
- *Clean environment*
- *Adequate nutrition*

1.5.6 Sustainable Development Goals and its Alignment to KSD IDP Strategic Goals

	SUSTAINNABLE DEVELOPMENT GOALS	NATIONAL DEVELOPMENT PLAN	MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)	PROVINCIAL DEVELOPMENT GOALS	KSD MUNICIPALITY IDP STRATEGIC GOALS
Goal 1	End poverty in all its forms everywhere	As a long-term strategic plan, the NDP			Goal 1: Curb poverty through

		serves four broad objectives:			sustainable agricultural development
Goal 12	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Providing overarching goals for what we want to achieve by 2030. Building consensus on the key obstacles to achieving these goals and what needs to be done to overcome those obstacles.	MTSF 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all		Goal 2: Stimulating rural development, land reform and food security
Goal 13	Ensure healthy lives and promote well-being for all at all ages	Providing a shared long-term strategic framework within which more detailed planning can take place in order to advance the long-term goals set out in the NDP. Creating a basis for making choices about how best to use	MTSF2: A long and healthy life for all South Africans	Goal 3: A healthy population	Goal 3: Promoting better healthcare for all our people
Goal 14	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		MTFS Quality basic education	Goal 2: An educated, innovative citizenry	Goal 4: Better access to quality education
Goal 15	Achieve gender equality and empower all women and girls		MTFS 14: A diverse, socially cohesive society with a common		Goal 5: Mainstreaming of programmes of the designated

		limited resources	national identity		groups
Goal 16	Ensure availability and sustainable management of water and sanitation for all				
Goal 17	Ensure access to affordable, reliable, sustainable and modern energy for all		MTFS 12: An efficient, effective and development-oriented public service		Goal 7: Acceleration of provision of electricity in the rural areas and alternative energy to bout electricity outages
Goal 18	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		MTSF 4: Decent employment through inclusive growth	Goal 1: An inclusive, equitable and growing economy	Goal 13: Transformation of the economy to create jobs and sustainable livelihoods and environmental sustainability;
Goal 19	Build resilient infrastructure, promote		MTSF 7: Vibrant, equitable,		Goal 6: Improvement of agriculture,

	inclusive and sustainable industrialization and foster innovation		sustainable rural communities contributing towards food security for all		lobbying economic investments towards reducing unemployment (youth and cooperatives mainly) and revival of industries.
Goal 10	Reduce inequality within and among countries		MTSF 11: Protect and enhance our environmental assets and natural resources		
Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable		MTSF 8: Sustainable human settlements and improved quality of household life	Goal 4: Vibrant cohesive communities	Goal 12: Integrated human settlements and building of cohesive communities and nation-building
Goal 12	Ensure sustainable consumption and production patterns		MTFS 13: A comprehensive, responsive and sustainable		

			social protection system		
Goal 13	Take urgent action to combat climate change and its impacts*				
Goal 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development		MTFS 6: An efficient, competitive and responsive economic infrastructure network		Goal 8: Exploitation and sustain blue (ocean) economy and SEZ opportunities
Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss		MTFS 10: Protect and enhance our environmental assets and natural resources		
Goal 16	Promote peaceful and inclusive		MTFS 3: All people in South Africa		Goal 14: Improvement of safety and

	societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels		are and feel safe		security in our society
Goal 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development				
			MTSF 5: A skilled and capable workforce to support an inclusive growth path		Goal 9: Institutional re-engineering
			MTFS 9: Responsive, accountable, effective and efficient local government	Goal 5: Capable, Conscientious and Accountable Institutions	Goal 10: Clean governance through fighting corruption, strengthening administration and achievement of clean audit outcomes

			MTFS 9: Responsive, accountable, effective and efficient local government		Goal 11: Revenue enhancement as a key factor to sustainability of the municipality
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1.5.7 Role / Implication for Local Government

The Plan highlights the need to strengthen the ability of local government to fulfill its developmental role. Municipal Integrated Development Plans (IDPs) need to be used more strategically to focus attention on critical priorities in the NDP that relate to the mandate of local government such as spatial planning, infrastructure and basic services. The municipal IDPs should therefore be used to focus on aspects of the NDP that fit within a municipality's core responsibilities. This way, the IDP process will become more manageable and the participation process more meaningful, thus helping to narrow the gap between the aspirations contained in these documents and what can actually be achieved.

1.5.8 The Provincial Development Plan (PDP)

The Eastern Cape PDP provides a strategic framework, and set of sector strategies and programmes aimed at achieving a rapid improvement in the quality of life for especially the poorest people in the Province. In order to achieve this, the PDP sets out a vision and series of targets in the areas of economic growth, employment creation, poverty eradication and income redistribution.

The three *key objectives* are:

- Systematic eradication of poverty through a holistic, integrated and multi-dimensional approach to pro-poor programming;
- Agrarian transformation and strengthening of household food security; and
- Consolidation, development and diversification of the manufacturing base and tourism potential.

The three *foundation objectives* are:

- Infrastructure development;
- Human resource development; and
- Public sector and institutional transformation.

PDP drives the introduction of a series of *Priority Programmes*:

- A sustainable homestead food production programme, complemented by promotion of commercial production through programmes such as the Massive Food Production Programme;
- A province-wide industrial strategy identifying new opportunities and key sub-sectors in the province, which includes provisions for the facilitation of structured finance for small manufacturing initiatives;
- An integrated infrastructure development programme with a particular emphasis on (1) rural infrastructure and job creation, (2) the promotion of input purchase and service provision from local small and medium enterprise suppliers and (3) the use of the Community-Based Public Works Programme in the process;
- A programme to build access to productive assets by the poor, including assets such as land, plant, machinery and agriculture;
- A programme of phased decentralization of service provision and facilitation of economic growth from provincial government departments to district and local municipalities, paying attention to (1) the integration of the delegation of powers and functions, (2) the building the capacity of municipalities, and (3) the targeting and management of fiscal resources; and
- An integrated human resource development strategy that pays particular attention to skills-development initiatives that address the income and asset base of the poor, while addressing the longer term skills needs that will make the Eastern Cape more competitive.

1.5.9 The Provincial Strategic Framework (PSF)

Taking its cue from the National MTSF, the Provincial Strategic Framework is a high level medium term strategic framework that seeks to respond to the challenges of translating the

electoral mandate into an effective and targeted government delivery programme. As such, the framework seeks to put the province on a sustained higher growth trajectory by the end of the mandate period with (1) an expanded and more diversified economic base, (2) the unemployment and poverty figures halved, and (3) greater equity and social cohesion. In order to do so, the framework has identified eight Provincial Strategic Priorities:

- Speeding up growth and transforming the economy to create decent work and sustainable livelihoods for all;
- Building social and economic infrastructure;
- Rural development, land and agrarian reform and food security;
- Strengthening education, skills and the provincial human resource base;
- Improving the health profile of the province;
- Intensifying the fight against crime and corruption;
- Building a Developmental State and improving the public services, and strengthening democratic institutions; and
- Building cohesive, caring and sustainable communities.

The following table (**Table 2**) provides an indication of the ways in which the Local Government Key Performance Areas (KPA) and national and provincial development priorities are aligned:

Table below demonstrates Local Government KPAs and National and Provincial Development Priorities

Local Government KPA: Basic Service Delivery and Infrastructure Development.		
National Priorities	Provincial Priorities	Outcomes
Improving health profile of the nation. Comprehensive rural development strategy linked to land and agrarian reform & food security. A massive programme to build economic & social	Improving the health profile of the province. Rural development, land and agrarian transformation, and food security. A massive programme to build social and economic	An efficient, competitive and responsive economic infrastructure network. A long and healthy life for all South Africans. Sustainable human settlements and improved quality of household life.

infrastructure; Sustainable resource management and use.	and infrastructure. Building a Developmental State.	Protected and enhanced environmental assets and natural resources.
Local Government KPA: Local Economic Development		
National Priorities	Provincial Priorities	Outcomes
Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods. Comprehensive rural development strategy linked to land and agrarian reform & food security.	Speeding up growth & transforming the economy to create decent work & sustainable livelihoods. Rural development, land & agrarian reform and food security. A massive programme to build social & economic infrastructure. Building cohesive & sustainable communities. Building a Developmental State.	Decent employment through inclusive economic growth. An efficient competitive and responsive economic infrastructure network. Vibrant, equitable, sustainable rural communities contributing towards food security for all. Sustainable human settlements and improve quality of household life. Protected and enhanced environmental assets and natural resources.
Local Government KPA: Good Governance and Public Participation		
National Priorities	Provincial Priorities	Outcomes
Intensifying the fight against crime and corruption. Building cohesive, caring and sustainable communities. Pursuing African advancement and enhanced international cooperation. Building a Developmental	Intensifying the fight against crime and corruption. Building cohesive and sustainable communities. Building a Developmental State inter alia by improving public services and strengthening democratic institutions.	Vibrant, equitable, sustainable rural communities contributing towards food security for all. A responsive, accountable, effective and efficient local government system. An efficient, effective and development oriented public service and an

State inter alia by improving public services and strengthening democratic institutions.		empowered, fair and inclusive citizenry. A better South Africa, better Africa and a better world.
Local Government KPA: Municipal Transformation and Institutional Development		
National Priorities	Provincial Priorities	Outcome
Strengthening skills and the human resource base. Pursuing African advancement and enhanced international cooperation. Building a Developmental State inter alia by improving public services and strengthening democratic institutions.	A massive programme to build social and economic infrastructure. Strengthening skills and the human resource base. Building a Developmental State inter alia by improving public services and strengthening democratic institutions. Building cohesive, caring and sustainable communities.	Quality basic education. A skilled and capable workforce to support an inclusive growth path. All people in SA are and feel safe. A responsive, accountable, effective and efficient local government system. An efficient, effective and development oriented public service and an empowered fair and inclusive citizenry.
Local Government KPA: Municipal Financial Viability and Management		
National Priorities	Provincial Priorities	Outcome
Intensifying the fight against crime and corruption.	Intensifying the fight against crime & corruption.	A responsive, accountable, effective and efficient local government system.

1.5.10 Back to Basics Programme

The core services that KSD Municipality endeavors its dynamism in aligning itself with the back-basics principles it to ensure provision of- clean drinking water, sanitation, electricity, shelter, waste removal and roads - are basic human rights, essential components of the right to dignity enshrined in our Constitution and Bill of Rights.

KSD Municipality in drafting its IDP has aligned itself with programmes and principles contained in the Back-Basics adopted by Council of the municipality which is concomitant with the following connotation;

"We cannot solve today's problems with the same level of thinking that created the problems in the first place" (Albert Einstein). We need to do things differently if we want different solutions. We must change our paradigm to focus on serving the people and not extractive elites. The Constitution and other legislation spell out our responsibilities and tasks. Some municipalities perform them well, but others don't for example, an acceptable level of performance means that municipalities must:

- ***Put people and their concerns first and ensure constant contact with communities through effective public participation platforms.***
- ***This is the essence of our 'back to basics' approach.***
- ***Create conditions for decent living by consistently delivering municipal services to the right quality and standard. This includes planning for and delivery of infrastructure and amenities, maintenance and upkeep, including the budgeting to do this.***
- ***Be well governed and demonstrate good governance and administration – cut wastage, spend public funds prudently, hire competent staff, ensure transparency and accountability***
- ***Ensure sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities***
- ***Build and maintain sound institutional and administrative capabilities, administered and managed by dedicated and skilled personnel at all levels.***

The Back to Basics elements are spread through the document as follows:

- ***Public Participation and Governance:*** the Council structures as well as participation policy
- ***Service Delivery:*** the service delivery elements are found under:
 - Roads infrastructure,
 - Urban electricity

- Eskom Electrification Programme,
- Waste removal – pages 126 (*Presidential Intervention*)
- Water and Sanitation are found under *Presidential Intervention and O. R. Tambo District Municipality Projects*,
- **Financial Planning:** all financial matters are dealt with under financial planning

The King Municipality also considers how Eastern Cape Province COGTA aligns itself with the Back to Basic principles based in the study conducted at National level in an attempt to assist its municipalities

- COGTA has done a review of South Africa's 278 municipalities, which has revealed that we still have a journey to reach the ideal municipality we envisage.
- The top third municipalities have got basics right and are performing their functions at least adequately. Within this group, there are a small group of top performers that are extremely doing well, and in these services there are innovative practices to ensure sustainability and resilience- These small core represents the desired (ideal) state for all our communities
- The middle third of municipalities are fairly functional and overall performance is average.
- While the basics are mostly in place and the municipalities can deliver on the main functions of local government – some areas of poor performance or decline are worrying signs
- The bottom third of municipalities are frankly dysfunctional, and significant work is required to get them to function properly
- Among others we find endemic corruption, council's which do not function, no structure community engagement, and poor financial management leading to continuous negative audit outcomes.
- There is a poor record of service delivery, and functions such as fixing potholes, collecting refuse, maintaining public places or fixing street lights are not performed. While most of the necessary resources to render the functions or maintain the systems are available, the basic mechanics to perform these functions are often not in place. It is in these municipalities that we are failing our people dramatically, and where we need to be intervening urgently in order to correct the decay in the system.

- Ensure sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities.
- Build and maintain sound institution and administration capabilities, administered and managed by dedicated and skilled personnel at all levels.
- Changing strategic orientation is not easy and it requires bold leadership and political will. At the same time we need a collective effort and unity of purpose and partnership with leaders in local government, provinces and national government. We need to improve the political management of municipalities and be responsive to the needs and aspirations of local communities. In order to achieve this we urgently require:
 - Leading to continuous negative audit outcomes. There is a poor record of service delivery, and functions such as fixing potholes, collecting refuse, maintaining public places or fixing street lights are not performed. While most of the necessary resources to render the functions or maintain the systems are available, the basic mechanics to perform these functions are often not in place. It is in these municipalities that we are failing our people dramatically, and where we need to be intervening urgently in order to correct the decay in the system.

Institutional incapacity and widespread poverty have undermined the sustainability of the local government project, leading in some instances to a serious breakdown in services. Some of the problems we face are:

- A collapse in core municipal infrastructure services in some communities, resulting in services either not being provided at all, or provided at unacceptably low levels.
- Slow or inadequate responses to service delivery challenges are in turn linked to be breakdown of trust in the institutions and or provided at unacceptably low levels.
- Social distance by our public representatives is a major cause for concern. This reflects inadequate public participation and poorly functioning ward councilors and committees.

- The viability of certain municipalities is a key concern. The low rate of collection of revenue continues to undermine the ability of municipalities to deliver services to communities.
- Municipalities also need to be driven by appropriately skilled personnel and their correct placement, and there are for too many instances both of inappropriate placement and skills not measuring up to requirements.

1.5.11 Local Government Turn-around Strategy

The IDP acknowledges the immediate support through an implementation agreement with NCU of the Rapid Response Teams known as 'Fire Fighters' in case of serious governance and service delivery failure. The Rapid Response interventions can be activated directly through requests from municipalities or Provinces, or by the Minister for Cooperative Governance and Traditional Affairs (CoGTA). The table below depicts the establishment phase within CoGTA and predicted time frames for implementation.

1.5.12 IDP Sector Plans & Strategies

Furthermore, to respond adequately and systematically to its development challenges, KSD has formulated a range a sectoral strategies as shown below:

Plan	Description	Year of Council Adoption	Last Review
LED Strategy inclusive of SMME Development Strategic Framework	Sets sectoral priorities and catalytic projects to be initiated Capacitate SMMEs Create a business case for SMMEs	2013	Under review
Tourism Master Plan	Market & promote tourism	2010	
Employment Equity Plan	Ensure/ achieve quality in the work	2010	2016

	place		
Workplace Skills Plan	Enhance skills of employees and Councillors and to respond / achieve development plans in the IDP	2009	Revived annually (2017)
Plan	Description	Year of Council Adoption	Last Review
Succession Plan/ Strategy	To respond to the key positions that assist in fast-tracking service delivery	2011 The key positions are presently identified through the Placement which is aligned to the newly approved Organogram	
Human Resources Strategy/ Plan	To respond to the long-term development plan of the IDP	2016/17	Under review
Organisational Performance Management System (OPMS)	Manage and monitor the performance of the Municipality	2016	
Performance Management System (PMS)	There is currently a performance management framework which was approved. The development of PMS is at planning stage	Under planning stage for all employees.	

	to cover the whole institution. Currently, the available PMS applies to section 57 Managers and fixed contract employees		
Plan	Description	Year of Council Adoption	Last Review
Integrated Waste Management Plan	To improve waste management services and to comply with the legislation	2017/18	2015/16
Environmental Management Plan	To address environmental issues & to comply with relevant legislation & Master Plan	2016/17	To be reviewed by end 2018
Spatial Development Framework	To guide planning for zoning of land in respect of business centres & residential areas	2013-2018	Under review 2018/19
Housing Sector Plan 2011-16	To facilitate & respond effectively in the allocation of limited resources Provide format & method of prioritizing housing projects & co-ordinate housing development as well as effective subsidy budgeting Understanding of	2016	Under review

	spatial limitations		
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1.1.1 KSD By-Laws and Policies

Policy	Description	Year of Council Adoption	Last Review
Financial policies			
Virement policy	To guide the movement of funds between votes	May 2017	May 2018
Asset Management policy	To set guidelines on management, maintenance of municipal assets	May 2017	May 2018
Cash management & investment of funds policy	To guide the management of cash and investment of funds	May 2017	May 2018
Borrowing policy	To guide and set parameters on the borrowings of the municipality	May 2017	May 2018
Budget adjustment policy	To ensure that KSD Municipality continues to deliver on its core mandate and achieve its developmental goals, mid-year review and adjustment budget process will be used to ensure that under-performing functions are identified and funds re-directed to performing functions. (In line with the MFMA)	May 2017	May 2018
Credit control policy	To revise and implement credit controls	May 2017	May 2018
Indigent policy	To create database for indigent policies support	May 2017	May 2018
Tariff policy	To regulate the setting of tariffs by the municipality	May 2017	May 2018

Property rates policy	To regulate the setting up of the property rates	May 2017	May 2018
Supply Chain management policy		May 2017	May 2018
Fleet Management Policy	To manage and apply measures to control the fleet of the institution	May 2017	May 2018
Irregular and wasteful and unauthorised expenditure policy	To avoid irregular, wasteful and unauthorised expenditure	May 2017	May 2018
Write-off policy		May 2017	May 2018
Human Resources Policies			
HR. Policy and Plan	Promote quality human resources relations	2016/17	2016/17
Succession planning & career pathing policy	To train and develop the employees to the extent that he/she is able to reach the level of seniority. To wish he/she aspires and to able to competently undertake the duties attached to that post / level	2016/17	2016/17
Skills development policy	To align the development of employee skills with the strategic objectives of the municipality	2016/17	2016/17
Sexual Harassment policy	To ensure compliance with the constitution, relevant labour legislation and in particular the Employment Equity Act 1998, and the Labour Relations Act 1995 and prevent unfair discrimination on grounds of sex or gender within the municipality.	2016/17	2016/17

ABET Policy	To provide employees with the basic foundation for lifelong learning and to develop their full potential	2016/17	2016/17
Dress code policy	To enable KSD employees to project the professional image that is in keeping with the need of the municipality's clients and customers to trust the municipality and its employees.	2016/17	2016/17
Staff placement policy	To give effect to the pursuit of reorganization process of the municipality in response to its changing operational requirements.	2010	
Workplace HIV/AIDS Policy	To combat the spread of HIV/AIDs and act against the scourge or Stigma of HIV/AIDs	2016/17	2016/17
Employee Health & Wellness Strategy	To address the employee wellness related challenges of the municipality.	2016/17	2016/17
Occupational Health and Safety policy	To prevent injuries and illness of municipal staff, councillors, visitors, and provide and provide effective rehabilitation and support to those whose health has been affected by their work. Ensure prompt, fair and equitable management and resolution of workers compensation claims.	2016/17	2016/17
KSD Induction policy	To facilitate an easy and smooth entry process into its work environment the policy is aimed an engendering positive results for new and or repositioned employees	2016/17	2016/17
Internal Bursary policy	To encourage employees to improve their knowledge and qualifications in line with the strategic direction of the municipality.	2016/17	2016/17

Cellular Phone & 3G Card Policy	The purpose of this document is to set out a policy that regulates the allocation of cellular phones and 3G Cards to employees and Councillors	2016/17	2016/17
Account & Password Management	This document defines the policy required to securely deploy, manage and control user accounts and passwords	2016/17	2016/17
Information security management policy (Draft)	To ensure data protection and privacy of personal information; Safeguarding or organizational records as well as intellectual property rights.	2017/18	Under review
KSD Leadership & management development policy	To ensure that managers' confidence is enhanced with a greater consciousness of their own competence and self-certification in their achievements	2016/17	
Employee assistance programme policy (not yet approved)	To provide free short-term counseling assistance to employees experiences personal difficulties at work or at home.	2016/17	
KSD Staff skills attraction & retention policy	To assist the municipality and its senior and line managers to effectively retain their staff by providing information, guidelines and direction on staff retention and some possible retention techniques. To prevent the loss of competent staff from the municipality this could have an adverse effect on service delivery.	2010	
Study & examination policy	To provide support for employees who are pursuing their studies	2010	
KSD Coaching policy	To build personal and team morale and foster partnership where employees feel like they are contributing to the success of the	2010	

	organization.		
Other policies & Bylaws			
Nuisance, street trading, livestock & marketing & advertising By-laws	To improve compliance & law enforcement not yet adopted	2010	
By-laws related to Parks, Public Open Spaces, Natural Resources & Amenities	To enhance tourism & environmental management	Not adopted	To be reviewed in 2018/19
Liquor Trading hours By-laws	To manage liquor trading hours & ensure law enforcement	2010	
Informal trading policy & street trading By-Laws	To formalize & regulate informal trading	2010	Under review
Waste management By-laws	To improve waste management services and to comply with the legislation	2017/18	
Municipal Health By-laws	To enhance clean environment & better health for all. For compliance issues	2009	Under review

Gender Empowerment	Mainstreaming of Gender Programmes	2011	Under review
Community related HIV/AIDS Policy	Sets how the municipality co-ordinates HIV/AIDS related initiatives & campaigns	2009	
King Sabata Dalindyebo Municipality Administration of Council's Immovable Property By-Laws	Guides and regulate the management of municipal immovable properties	2013	
Encroachment on Municipal Property By-Laws	Regulate and impeding the violation of municipal properties	2013	
Electricity supply By-Laws	To regulate electricity supply and discourage abuse of electric power supply	2013	Under review
Roads and Traffic By-Laws	To regulate and control traffic use on the roads	2013	
Control of Temporary	To stop illegal advertising and placing of advertisement in none	2013	

Advertisement By-Laws	designated municipal places		
Advertising Signs and the Disfigurement of the Fronts or Frontages of street By-Laws	Draft stage		

1.6 IDP PROCESS OVERVIEW

Section 25 of the Municipal Systems Act, 2000, requires of each Municipal Council to prepare and adopt an IDP. Section 35 of the Act defines this legally-mandated IDP as the principal strategic municipal planning document, which must guide all other plans, strategies and resource allocation, investment and management decisions in the municipality. Section 36 of the Act stipulates that a municipality must give effect to its IDP and conduct its affairs in a manner which is consistent with the plan. This document represents the IDP of the term of Council which started from 2011-2012

1.6.1 IDP Process Plan

The IDP process plan of the King Sabata Dalindyebo for the review 2018/19 was adopted by the council on the 10th August 2017.

The Integrated Development Plan (IDP) and Budget Formulation process is a means through which the municipalities prepare their strategic development plans for a five-year period. An IDP is one of the key instruments for local government to cope with its new developmental role. It facilitates decision-making on issues such as municipal budgets, land use planning and management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner.

In order to ensure certain minimum quality standards of the IDP and Budget review process, and proper coordination between, and within spheres of government,

municipalities need to prepare IDP Review and Budget Formulation Process Plan (Process Plan). The Process Plans must include the following:

- A programme specifying the time-frames for the different planning steps;
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities and other role players in the IDP Review and Budget formulation processes;
- Cost estimates for the Review Process; and
- Take into cognisance that one ward has been added to KSD Local Municipality.

The Process Plan must also be set out in writing, and requires the adoption by Council. Since it is the first Council, it is critical that the previous Five Year Performance Report be presented to the communities as part of the IDP Review process.

1.6.2 Organisational Arrangements for Process Plan

The Executive Mayor and the Municipal Manager are responsible for managing and drafting the municipality's IDP, a range of other role-players were also involved in the process. **Table** below sets out the roles and responsibilities of these role-players:

ROLE PLAYER	ROLES AND RESPONSIBILITIES
COUNCIL	<ul style="list-style-type: none"> ▪ Approve and adopt the process and framework plans as well as the IDP. ▪ Monitor the implementation and approve any amendments of the plan when necessary.
EXECUTIVE MAYOR	<ul style="list-style-type: none"> ▪ Overall management, coordination and monitoring of the process and drafting of the IDP, which she assigns to the municipal manager. ▪ Presents draft framework and process plans to council for adoption. ▪ Political coordination and management of the resulting

	<p>implementation programme.</p> <ul style="list-style-type: none"> ▪ Presents draft reviewed IDP to the Municipal Council for approval and adoption.
IDP REPRESENTATIVE FORUM	<ul style="list-style-type: none"> ▪ Provides an organisational mechanism for discussion, negotiation and decision-making between stakeholders. ▪ Represents the interests of their constituencies in the IDP review process. ▪ Monitors the performance of the planning and implementation process.
MUNICIPAL MANAGER	<ul style="list-style-type: none"> ▪ Manages and coordinates the entire IDP process, as assigned by the Executive Mayor. ▪ Facilitates the horizontal and vertical alignment of the District IDP preparation and review process. ▪ Chairs the IDP steering committee. ▪ Coordinates the IDP with national and provincial government department initiatives to ensure proper alignment of programme.
IDP STEERING COMMITTEE	<ul style="list-style-type: none"> ▪ Provides technical and advisory support in the IDP development process. ▪ Monitors and evaluates effective management of IDP. ▪ Ensures strategic management of the implementation programme. ▪ Monitors programme expenditure against budget. ▪ Commissions research studies and

	business plans for projects.
IDP CO-ORDINATORS FORUM	<ul style="list-style-type: none"> Ensures alignment between the IDPs of the District Municipality and between Local Municipalities in the district. Ensures alignment (through the Provincial Department of Local Government as official point of entry) between municipalities in the O R Tambo District and Provincial Government and National Government line departments as and where relevant.
PROVINCIAL GOVERNMENT DEPARTMENTS	<ul style="list-style-type: none"> Ensure that sector plans are aligned with and are part of the Municipality's IDP. Prepare their plans, strategies and budgets guided by and in support of the IDP prepared by the Municipalities. .
SECTOR FORUMS	<ul style="list-style-type: none"> Ensure that each sector's input is incorporated in the IDP. Develop sector strategies and programme for the next five years with all the relevant role-players.

1.6.3 Process Followed

The table below outlines the process need to be followed in the development of the IDP:-
Attach the 2018/19 Review Council resolution -Prior Plan

ACTIVITY	DATE	PER PROCESS PLAN & INSTITUTIONAL CALENDAR	ACTUAL PROGRESS AND DATE	ACHIEVED
July 2017				
Alignment of draft process plan and draft IDP process framework with O R Tambo district municipality	22-23 July 2017		Progressed as planned	
Develop draft process and timetable for the 2017/18 Budget	21-22 July 2017		Progressed as planned	
IDP, Budget and PMS Technical Committee/ MANCOM to discuss Draft process plan	25 July 2017		Held Technical Committee / MANCOM on the 07 th August 2017 to discuss draft IDP Process Plan	
August 2017				
IDP /Budget Technical/ Steering Committee – to submit process plan for discussion	19 August 2017		Held IDP Steering committee meeting to present IDP adopted Process Plan on the 16 th August 2017	
IDP Representative forum meeting- presentation of draft IDP ,budget and PMS process plan	23 August 2017		Held IDP Rep Forum Meeting to discuss IDP Process Plan& Reviewal of Stakeholder register on the 31st August 2017	
Council consider IDP, Budget and PMS Process Plan 2017-18 for adoption	31 August 2017		Progressed on the 10 th of August 2017	
September 2017				
Submission of IDP and PMS Process Plan to OR Tambo DM and other spheres of government	01 September 2017			

ACTIVITY	DATE PER PROCESS PLAN & INSTITUTIONAL CALENDAR	ACTUAL ACHIEVED PROGRESS AND DATE
Advertise IDP/ PMS and Budget Process Plan on the local print media	06 September 2017	Advert of stakeholders to register has been advertised on 15 August 2017 Adopted Process plan has been advertised for public information on the 05th September 2017
Replication of ward based planning to all wards (desktop session-in-house)	03- 07 September 2017	
IDP Awareness Campaign and Budgeting Process	03-20 September 2017	Progresses in joint exercise with ward based profiling
Review of ward based profiles	09-28 September 2017	Ward based profile and IDP Awareness campaign both were done during this period at ward level through ward clusters on the 13th to 15th November 2017
IDP, Budget and PMS Process Plan steering committee- unpack and review situational gap analysis	16 September 2017	IDP Steering Committee sit and discuss the presentation of draft situational analysis and phased IDP assessment provincial inputs progressed on the 18th October 2017 A roll-out programme has also been conducted by CoGTA to familiarise and

ACTIVITY	DATE PER PROCESS PLAN & INSTITUTIONAL CALENDAR	ACTUAL ACHIEVED PROGRESS AND DATE
		educate the members of standing committee of Planning, IGR and Research on IDP & IGR on the 20th October 2017
October 2017		
Ward to Ward IDP, Budget and PMS Outreach Programme – Needs Analysis and prioritisation	03 October -28 October 2017	Progressed on the 13 th until end November 2017, communicated , through IDP Steering Committee meeting on the 18 th October 2017 and other communication were scheduled to be done through an advert and IDP Representative Forum meeting planned for 03 November 2017
IDP Representative Forum to present Draft situational analysis report	26 October 2017	Rescheduled and on proceeded the 03 rd November 2017and
IDP, Budget and PMS Steering Committee – Presentation and discussion on: Development of Strategies and Objectives Project identification	28-31 October 2017	To be rescheduled as when the IDP Outreach Programme exercise is completed
November 2017		
IDP Representative forum – presentation of the situational	16 November 2017	Still under planning

ACTIVITY	DATE PROCESS PLAN & INSTITUTIONAL CALENDAR	PER ACTUAL PROGRESS AND DATE	ACHIEVED
analysis and workshop on key issues and strategies and objectives.			
Representative Forum Meeting – Presentation of Strategies and Objections and Identification of Projects	28 November 2017		Still under planning
Technical Committee/ MANCOM meeting to Review three year capital budget and Operating projects	04-08 December 2017		Still under planning
December 2017			
Steering Committee meeting – Finalize projects identification	08 December 2017		Still under planning
January 2018			
IDP Rep Forum – Finalise developmental strategies and objectives	11 Jan 2017		Still under planning
Institutional Strategic Session – to discuss Integration and alignment of Budget, Programmes and projects	25-26 January 2018		Still under planning
Special Council Meeting – Table in to the Council an annual report, the audit report for 2015/2016, and Mid – year report 2017-18	25 Jan 2018		Still under planning
February 2018			
Budget adjustment Consultation Process begins (with respective directorates)	01-06 February 2018		Proceeded
IDP, Budget and PMS Technical Committee - To discuss and Finalize	09 February 2018		Proceeded

ACTIVITY	DATE PROCESS PLAN & INSTITUTIONAL CALENDAR	PER ACTUAL PROGRESS AND DATE	ACHIEVED
the Draft MTREF Budget and 1st Adjustment Budget			
IDP, Budget and PMS Steering Committee - To discuss the and Finalize the Draft MTREF Budget and 1st Adjustment Budget as well as presentation of the first draft IDP	16 February 2018		Proceeded
MEGA Strategic Planning Session - Presentation of first draft IDP, PMS 2018/19 and Budget 2018/19-2019/20/21-21/22 to finalise integration, alignment of budgets and continue with project formulation and to present first draft IDP 2018/2019 and Draft MTERF Budget	21- 23 February 2018		Proceeded
March 2018			
IDP/ PMS and Budget technical committee/MANCOM - to refine first draft IDP 2018/2019 and Draft MTERF Budget	02 March 2018 CFO/ Director: Rural & Economic Development		Proceeded
IDP Steering Committee to refine and present first draft IDP 2018/19 and Draft MTERF Budget	15 March 2018		
Council adopts First Draft 2018-19 IDP, PMS and MTERF Budget and Budget policies for 2018/2019-2019/20-2020/21	27 March 2018		27 March 2018
April 2018			
MTERF Budget IDP Review 2018-19 advertised for public comments,	10 April 2018		Proceeded

ACTIVITY	DATE PER PROCESS PLAN & INSTITUTIONAL CALENDAR	ACTUAL ACHIEVED PROGRESS AND DATE
Public Meetings & Consultation		
IDP/Budget road shows- present draft IDP, PMS Review 2018-19 and MTERF Budget to solicit comments from members of the community	04 April – 21May 2018	Reschedule for 14 to 23 May 2018
May 2018		
IDP/ PMS and Budget Technical committee to discuss Public comments and the final draft IDP , PMS 2018/19 and Budget MTERF review	04 May 2018	
IDP/ PMS and Budget Steering committee to discuss Public comments and the final draft IDP , PMS 2018/19 and Budget MTERF Budget review	11 May 2018	
IDP Rep. Forum - discuss Public comments and the final draft IDP , PMS 2018-19 and MTERF Budget review	18 May 2018	
Council consider adoption of Final Draft IDP, PMS 2018/19 and MTERF Budget	29 May 2018	
June 2018		
Submission of document to MEC for Local Government, provincial & National Treasury	05 June 2018	

1.6.4 Measures and Procedures for Public Participation

The IDP Representative Forum is the main organizational mechanism for discussion, negotiation and decision-making by stakeholders in the municipal area. The forum includes:

- Councillors, Ward Committees, Community Development Workers, Municipal Manager;
- Representatives of organised role-playing groups and NGOs in the Local area;
- Senior officials from national and provincial government departments; and
- Municipal Heads of Departments.

The forum held a number of meetings and conducted Consultative Road shows throughout the thirty-five (36) wards of the Municipality.

1.6.5 Consideration of MEC Comments on 2015/16 -2017/18 -2022 IDP

The MEC has congratulated the municipality for developing a credible IDP. It has also been noted with delight that the municipality has retained a **HIGH** rating for the 2015/16 assessment with all KPA's being rated as HIGH. However the following issues which affect municipalities in the IDP process were highlighted:-

1. Some shortcomings or gaps in some Key Performance Areas as were identified during the previous assessments have not been dealt with as advised or recommended. It is therefore suggested that the integrated development planning process be prioritized by Section 56 Managers and Portfolio Committees in their oversight responsibility to ensure that quality information is provided.

It is recommended that the IDP Manager or officer be attached to the office of the Municipal Manager in local municipalities where there are no Strategic Managers to enable the effective coordinates of s56 Managers' participation in the IDP processes. Managers must be accountable for the quality of information in their respective Key Performance Areas. Likewise, the oversight responsibility by our colleagues serving in the portfolio committees **MUST** IDP Progress Monitoring per IDP Phase as well as the quality of information put forward in line with what is entailed in the IDP Assessment Report. There **MUST** be also a clear synergy of issues raised in the Situational

2. Analysis, Objectives, Strategies, Priorities and Projects to ensure that your IDP responds directly to the defined needs of communities.
3. A brief overview of what has been achieved in the implementation of the previous IDP challenges and suggested remedial measures need to be provided in the situational analysis report.
4. The issue of Sector Departmental participation continues to remain a challenge. Municipalities must clearly state what their requirements are from each Sector Department in order to enable Departments to prepare themselves for meaningful participation in IDP processes via the established fora. It is equally important to issue invites in good time to Sector Departments to enable them to prepare required information and logistics. The commitment of all the managers IDP processes cannot be over emphasized.
5. It is clear that out of frustration some municipalities tend to opt for one engagements with Sector Departments owing to their lack of commitment to defined clusters and IDP Representatives Fora but the Predicament in this approach is that no single department can succeed on matters of service delivery without the participation of others in an integrated manner in order to complement each other's efforts. We must therefore promote an integrated support and implementation approach in order to make the necessary delivery impact on our communities.
6. It is important to indicate the project life cycle, budget allocated and responsible
7. institution in the project Register for performance management, monitoring and evaluation. Whilst other provincial departments have indicated their projects commitments in 2018-2022 IDP, It has been noted that the following Departments did not indicate project commitments:
 - South African Police Services (SAPS)
 - Department of Agriculture, Forestry and Fisheries (DAFF)
 - Department of Labour (DoL)
 - Department of Arts, Culture and Recreation (DSRAC)
 - SASSA
8. The provisions of our Constitution and Chapter 4 of the Municipal System Act, 32 of 2000 as amended put communities at the centre of the government processes. It is on this basis that thorough development of Ward Based Plans as the building blocks towards the development of a credible and legitimate municipal Integrated Development Plan is essential.
9. In the next IDP process, cognizance must be taken of government instruments like your Municipal Turn – Around Strategy, Outcomes based approach and Service Delivery Agreements, which should be mainstreamed into and labelled as such in the IDPs.
10. It is equally important colleagues that cognizance is taken of all powers and functions that are performed by your municipalities as well as any Services Level Agreement and Memorandum of Understanding that exists. This will assist your municipality to avoid planning for un-mandated functions

11. The importance of adhering to the process of legislated time-frames regarding the commencement and completion of the IDP process with all phases thoroughly dealt with cannot be overemphasized.

Methodology

The IDP process was undertaken based on IDP guidelines stipulated in the IDP Guide Pack. The process has ensured that each phase complied with the required legislation and municipal needs and is within the municipality's available financial and human resources. In instances where proposed projects are not in the municipality's financial or human capability, proposals will be put forward for projects to be implemented by other sectors and support organisations.

Above Table reveals Comments by the MEC for the Department of Local Government and Traditional Affairs and the Response by the KSD Municipality (2008/2009- 2015/16 -2017/18)

KPA	RATING 2008/ 09	RATING 2009/ 10	RATING 2010/ 11	RATING 2011/ 12	RATING 2012/ 13	RATING 2013/ 14	RATING 2014/15	RATING 2015/16	RATING 2016/17	RATING 2017/18- 2022
Spatial Development Framework	Low	Medium	High	High	Medium	High	High	High	High	High
Service Delivery	Medium	Medium	Medium	High	Medium	High	High	High	High	High
Financial Viability	High	High	Low	High	High	High	High	High	High	High
Local Economic Development	Medium	Medium	Medium	High	Medium	High	High	High	High	High
Good Governance & Public Participation	Medium	Low	Medium	High	High	High	High	High	High	High
Institutional Arrangements	Medium	Low	Low	Medium	Low	High	High	High	High	High
Overall Rating	Medium	Medium	Medium	High	Medium	High	High	High	High	High

1.6.6 Powers and functions

Functions	Competency/ Authority/ Service level Agreement /MOA
Water & sanitation	OR Tambo District Municipality
Disaster Management Services	OR Tambo District Municipality & KSD Municipality as a Service provider
Social development related services	Department of Social Development and KSD Municipality as a facilitating agent
Health & related services	Department of Health
Libraries	KSD Municipality
Public Amenities	KSD Municipality
Cemeteries	KSD Municipality
Fire Services	OR Tambo District Municipality and KSD Municipality as a service provider
Fire Emergency Services	OR Tambo District Municipality and KSD Municipality as a service provider
Law Enforcement	KSD Municipality
Traffic Safety and Control	Provincial Department of Transport (Traffic) and KSD Municipality
Rural and/or Municipal Urban Roads and storm water drainage.	KSD Municipality, OR Tambo District Municipality, Department of Roads and Public Works
Vehicle Testing and Registration	KSD Municipality
Municipal Health Svices	OR Tambo District Muniocipality

CHAPTER ONE: MUNICIPAL VISION AND DEMOGRAPHIC PROFILE



1.1 VISION, MISSION AND VALUES

The Council of the King Sabata Dalindyebo Municipality being led by The Executive Mayor, Honourable Councillor D. Zozo crafted its visioning, Mission, and values as follows:

VISION:

“A developmental people centred municipality spearheading RADICAL economic transformation in an environmentally and socially sustainable manner”.

MISSION:

To provide high quality services, socio-economic transformation, safe and sustainable livelihoods based on sound governance and commitment to meaningful public participation and protection of the environment. Shaping KSD to become “a municipality of choice to visit, invest, live and work”.

VALUES:

- People centred
- Innovative
- Transparency
- Accountability
- Integrity
- Honesty
- Openness
- Value for money
- Team work
- Cleanliness
- Result oriented

1.2 DEMOGRAPHY

"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest.

In this section, an overview is provided of the demography of the King Sabata Dalindyebo Local Municipality and all its neighbouring regions, O.R.Tambo District Municipality, Eastern Cape Province and South Africa as a whole.

1.2.1 Total Population

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

TABLE 1. TOTAL POPULATION - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS PERCENTAGE]

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
2006	437,000	1,340,000	6,450,000	47,800,000	32.6%	6.8%	0.91%
2007	440,000	1,350,000	6,470,000	48,400,000	32.7%	6.8%	0.91%
2008	445,000	1,350,000	6,500,000	49,100,000	32.8%	6.8%	0.91%
2009	450,000	1,370,000	6,540,000	49,800,000	32.9%	6.9%	0.90%
2010	456,000	1,380,000	6,600,000	50,700,000	33.0%	6.9%	0.90%
2011	462,000	1,390,000	6,650,000	51,500,000	33.1%	6.9%	0.90%
2012	467,000	1,410,000	6,710,000	52,400,000	33.2%	7.0%	0.89%
2013	474,000	1,420,000	6,780,000	53,200,000	33.3%	7.0%	0.89%
2014	480,000	1,440,000	6,850,000	54,100,000	33.4%	7.0%	0.89%
2015	487,000	1,460,000	6,930,000	54,900,000	33.5%	7.0%	0.89%
2016	494,000	1,470,000	7,010,000	55,700,000	33.5%	7.0%	0.89%
Average Annual growth							

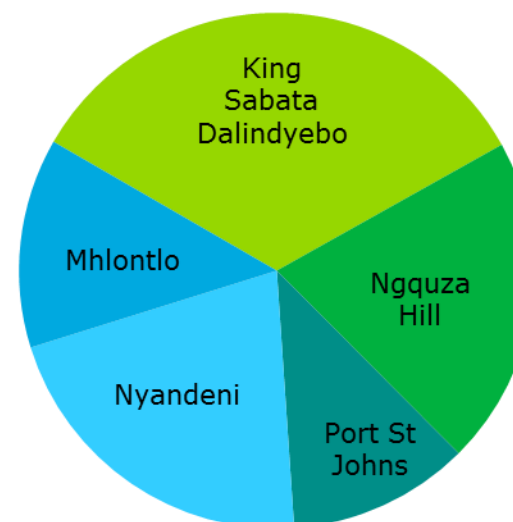
King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
2006-2016	1.23%	0.94%	0.83%	1.54%		

Source: IHS Markit Regional eXplorer version 1181

With 494 000 people, the King Sabata Dalindyebo Local Municipality housed 0.9% of South Africa's total population in 2016. Between 2006 and 2016 the population growth averaged 1.23% per annum which is slightly lower than the growth rate of South Africa as a whole (1.54%). Compared to O.R.Tambo's average annual growth rate (0.94%), the growth rate in King Sabata Dalindyebo's population at 1.23% was slightly higher than that of the district municipality.

CHART 1. TOTAL POPULATION - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO, 2016 [PERCENTAGE]

Total population O.R.Tambo District Municipality, 2016



Source: IHS Markit Regional eXplorer version 1181

When compared to other regions, the King Sabata Dalindyebo Local Municipality accounts for a total population of 494,000, or 33.5% of the total population in the O.R.Tambo District Municipality, which is the most populous region in the O.R.Tambo District Municipality for 2016. The ranking in terms of the size of King Sabata Dalindyebo compared to the other regions remained the same between 2006 and 2016. In terms of its share the King Sabata Dalindyebo Local Municipality was slightly larger in 2016 (33.5%) compared to what it was in 2006 (32.6%). When looking at the average annual growth rate, it is noted that King Sabata Dalindyebo ranked second (relative to its peers in terms of growth) with an average annual growth rate of 1.2% between 2006 and 2016.

1.2.2 Population projections

Based on the present age-gender structure and the present fertility, mortality and migration rates, King Sabata Dalindyebo's population is projected to grow at an average annual rate of 1.2% from 494 000 in 2016 to 525 000 in 2021.

TABLE 2. POPULATION PROJECTIONS - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016-2021 [NUMBERS PERCENTAGE]

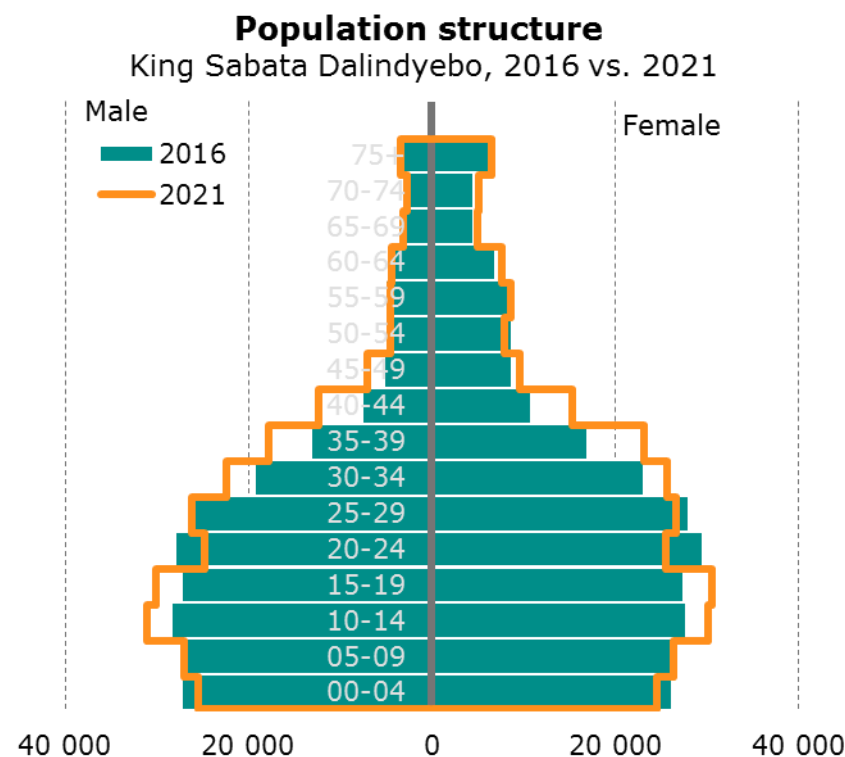
	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
2016	494,000	1,470,000	7,010,000	55,700,000	33.5%	7.0%	0.89%
2017	500,000	1,490,000	7,080,000	56,500,000	33.6%	7.1%	0.89%
2018	507,000	1,510,000	7,160,000	57,400,000	33.7%	7.1%	0.88%
2019	513,000	1,520,000	7,240,000	58,100,000	33.7%	7.1%	0.88%
2020	519,000	1,540,000	7,310,000	58,900,000	33.8%	7.1%	0.88%
2021	525,000	1,550,000	7,380,000	59,600,000	33.8%	7.1%	0.88%
Average Annual growth							
2016-2021	1.24%	1.08%	1.05%	1.37%			

Source: IHS Markit Regional eXplorer version 1181

The population projection of King Sabata Dalindyebo Local Municipality shows an estimated average annual growth rate of 1.2% between 2016 and 2021. The average annual growth rate in the population over the projection period for O.R.Tambo District Municipality, Eastern Cape

Province and South Africa is 1.1%, 1.0% and 1.4% respectively. The Eastern Cape Province is estimated to have an average growth rate of 1.0% which is very similar than that of the King Sabata Dalindyebo Local Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.4% which is very similar than that of King Sabata Dalindyebo's projected growth rate.

CHART 2. POPULATION PYRAMID - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016 VS. 2021 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version

The population pyramid reflects a projected change in the structure of the population from 2016 and 2021. The differences can be explained as follows:

- In 2016, there is a significantly larger share of young working age people between 20 and 34 (31.1%), compared to what is estimated in 2021 (28.8%). This age category of young working age population will decrease over time.
- The fertility rate in 2021 is estimated to be slightly higher compared to that experienced in 2016.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (31.3%) in 2021 when compared to 2016 (32.8%).

In 2016, the female population for the 20 to 34 years age group amounts to 16.3% of the total female population while the male population group for the same age amounts to 14.8% of the total male population. In 2021, the male working age population at 14.0% does not exceed that of the female population working age population at 14.8%, although both are at a lower level compared to 2016.

1.2.3 Population by population group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

TABLE 3. POPULATION BY GENDER - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO DISTRICT MUNICIPALITY, 2016 [NUMBER].

	Male	Female	Total
King Sabata Dalindyebo	230,000	264,000	494,000
Ngquza Hill	143,000	161,000	304,000
Port St Johns	77,600	90,100	168,000
Nyandeni	146,000	167,000	313,000
Mhlontlo	91,200	102,000	194,000
O.R.Tambo	688,000	784,000	1,470,000

Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo Local Municipality's male/female split in population was 87.3 males per 100 females in 2016. The King Sabata Dalindyebo Local Municipality has significantly more

females (53.38%) than males, when compared to a typical stable population. This is most probably an area with high male out migration to look for work elsewhere. In total there were 264 000 (53.38%) females and 230 000 (46.62%) males. This is different from the O.R.Tambo District Municipality as a whole where the female population counted 784 000 which constitutes 53.28% of the total population of 1.47 million.

TABLE 4. POPULATION BY POPULATION GROUP, GENDER AND AGE - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016 [NUMBER].

	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	25,900	26,800	40	36	153	181	95	93
05-09	26,000	26,600	24	51	139	182	66	39
10-14	27,300	28,000	27	26	185	156	37	26
15-19	27,100	26,900	91	63	233	165	40	40
20-24	29,200	27,400	78	71	157	214	65	102
25-29	27,600	25,700	59	63	177	217	82	166
30-34	22,700	18,900	34	40	139	132	85	170
35-39	16,700	12,700	21	16	146	158	65	107
40-44	10,600	7,220	45	31	99	102	34	82
45-49	8,480	4,910	49	49	107	98	32	40
50-54	8,420	4,460	47	51	91	107	25	25
55-59	8,750	4,710	32	42	96	110	57	33
60-64	6,750	3,980	23	37	39	41	33	60
65-69	4,310	2,940	15	32	60	31	24	21
70-74	4,330	2,440	4	8	54	18	5	3
75+	6,220	3,050	10	8	37	24	4	0
Total	260,000	227,000	598	624	1,910	1,940	747	1,000

Source: IHS Markit Regional eXplorer version 1181

In 2016, the King Sabata Dalindyebo Local Municipality's population consisted of 98.62% African (487 000), 0.25% White (1 220), 0.78% Coloured (3 850) and 0.35% Asian (1 750) people.

The largest share of population is within the babies and kids (0-14 years) age category with a total number of 162 000 or 32.8% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share

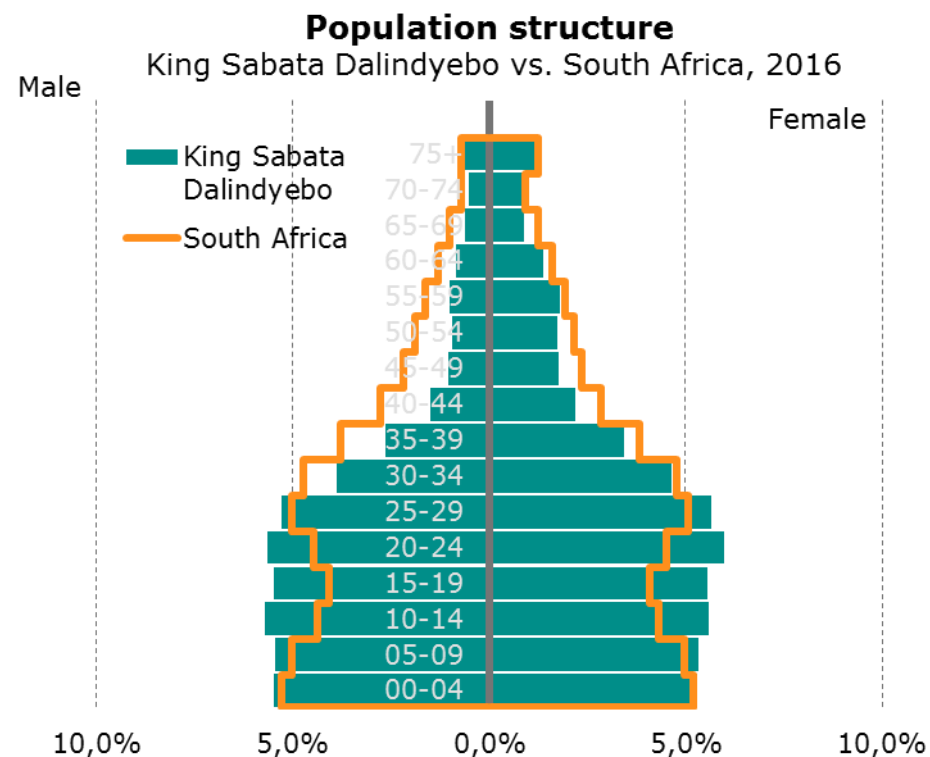
of 29.2%, followed by the teenagers and youth (15-24 years) age category with 112 000 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 23 600 people, as reflected in the population pyramids below.

1.2.4 Population Pyramids

Definition: A population pyramid is a graphic representation of the population categorised by gender and age, for a specific year and region. The horizontal axis depicts the share of people, where the male population is charted on the left-hand side and the female population on the right-hand side of the vertical axis. The vertical axis is divided in 5-year age categories.

With the African population group representing 98.6% of the King Sabata Dalindyebo Local Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares King Sabata Dalindyebo's population structure of 2016 to that of South Africa.

CHART 3. POPULATION PYRAMID - KING SABATA DALINDYEBO LOCAL MUNICIPALITY VS. SOUTH AFRICA, 2016 [PERCENTAGE]



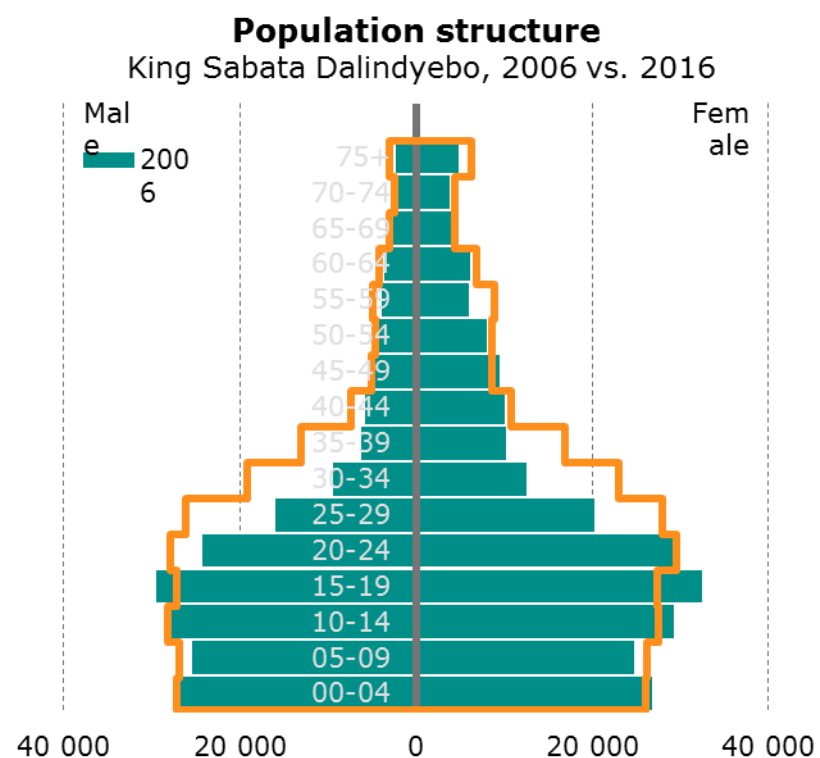
Source: IHS Markit Regional eXplorer version 1181

By comparing the population pyramid of the King Sabata Dalindyebo Local Municipality with the national age structure, the most significant differences are:

- There is a significantly larger share of young working age people - aged 20 to 34 (31.1%) - in King Sabata Dalindyebo, compared to the national picture (28.6%).
- The area appears to be a migrant receiving area, with many of people migrating into King Sabata Dalindyebo, either from abroad, or from the more rural areas in the country looking for better opportunities.

- Fertility in King Sabata Dalindyebo is slightly lower compared to South Africa as a whole.
- Spatial policies changed since 1994.
- The share of children between the ages of 0 to 14 years is significantly larger (32.8%) in King Sabata Dalindyebo compared to South Africa (29.2%). Demand for expenditure on schooling as percentage of total budget within King Sabata Dalindyebo Local Municipality will therefore be higher than that of South Africa.

CHART 4. POPULATION PYRAMID - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006 VS. 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version

When comparing the 2006 population pyramid with the 2016 pyramid for the King Sabata Dalindyebo Local Municipality, some interesting differences are visible:

- In 2006, there were a significant smaller share of young working age people - aged 20 to 34 (25.6%) - compared to 2016 (31.1%).
- Fertility in 2006 was significantly higher compared to that of 2016.
- The share of children between the ages of 0 to 14 years is significantly larger in 2006 (37.2%) compared to 2016 (32.8%).
- Life expectancy is increasing.

In 2016, the female population for the 20 to 34 years age group amounted to 14.2% of the total female population while the male population group for the same age amounted to 11.4% of the total male population. In 2006 the male working age population at 14.8% did not exceeds that of the female population working age population at 16.3%.

1.2.5 Number of Households by Population Group

Definition: A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2016, the King Sabata Dalindyebo Local Municipality comprised of 117 000 households. This equates to an average annual growth rate of 2.10% in the number of households from 2006 to 2016. With an average annual growth rate of 1.23% in the total population, the average household size in the King Sabata Dalindyebo Local Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2006 decreased from approximately 4.6 individuals per household to 4.2 persons per household in 2016.

TABLE 5. NUMBER OF HOUSEHOLDS - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER PERCENTAGE]

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
2006	94,800	276,000	1,570,000	13,000,000	34.3%	6.0%	0.73%
2007	96,800	280,000	1,590,000	13,100,000	34.6%	6.1%	0.74%
2008	100,000	288,000	1,620,000	13,400,000	34.8%	6.2%	0.75%
2009	104,000	298,000	1,670,000	13,700,000	35.0%	6.2%	0.76%
2010	106,000	301,000	1,680,000	13,900,000	35.3%	6.3%	0.76%
2011	108,000	303,000	1,700,000	14,200,000	35.5%	6.3%	0.76%
2012	110,000	307,000	1,720,000	14,500,000	35.7%	6.4%	0.76%
2013	111,000	311,000	1,730,000	14,700,000	35.8%	6.4%	0.75%
2014	112,000	312,000	1,740,000	15,000,000	36.0%	6.4%	0.75%
2015	114,000	317,000	1,770,000	15,400,000	36.1%	6.5%	0.74%
2016	117,000	322,000	1,790,000	15,800,000	36.2%	6.5%	0.74%

Average Annual growth

2006-2016	2.10%	1.55%	1.32%	1.97%
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Source: IHS Markit Regional eXplorer version 1181

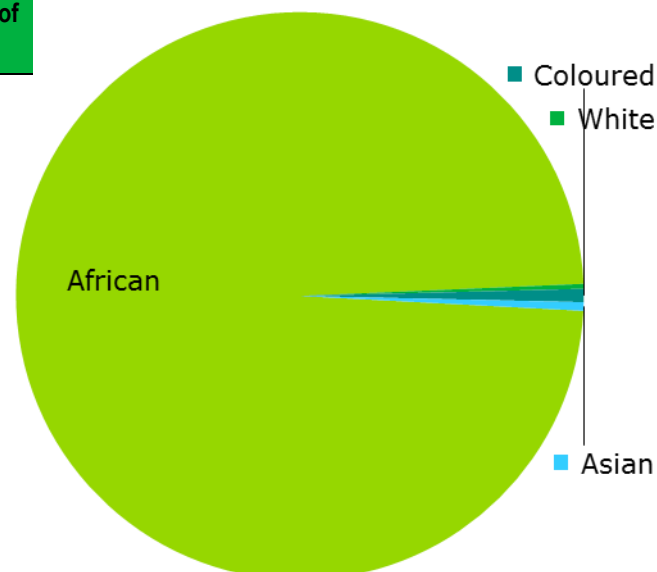
Relative to the district municipality, the King Sabata Dalindyebo Local Municipality had a higher average annual growth rate of 2.10% from 2006 to 2016. In contrast, the province had an average annual growth rate of 1.32% from 2006. The South Africa as a whole had a total of 15.8 million households, with a growth rate of 1.97%, thus growing at a lower rate than the King Sabata Dalindyebo.

The composition of the households by population group consists of 98.5% which is ascribed to the African population group with the largest amount of households by population group. The Coloured population group had a total composition of 0.7% (ranking second). The Asian population group had a total composition of 0.5% of the total households. The smallest population group by households is the White population group with only 0.3% in 2016.

CHART 5. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016 [PERCENTAGE]

Number of Households by Population group

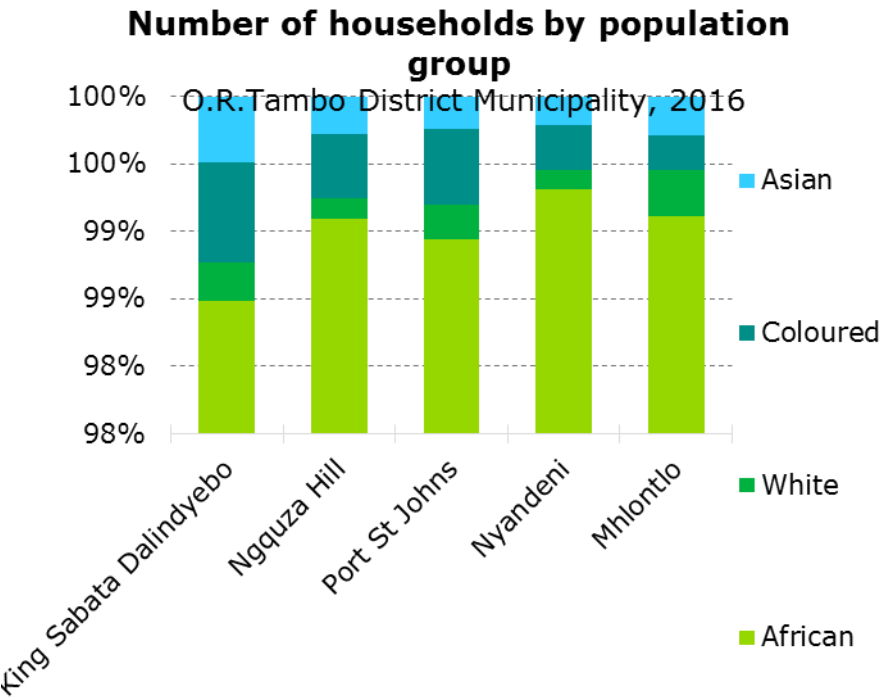
King Sabata Dalindyebo, 2016



Source: IHS Markit Regional

The growth in the number of African headed households was on average 2.09% per annum between 2006 and 2016, which translates in the number of households increasing by 21 500 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2006 and 2016 at 8.24%. The average annual growth rate in the number of households for all the other population groups has increased with 2.07%.

TABLE 6. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - KING SABATA DALINDYEBO LOCAL MUNICIPALITY AND THE REST OF O.R.TAMBO, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version

1.2.6 HIV+ and AIDS estimates

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10

years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.
HIV+ and AIDS estimates are defined as follows:
The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

TABLE 7. NUMBER OF HIV+ PEOPLE - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER AND PERCENTAGE]

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
2006	46,200	131,000	622,000	5,320,000	35.3%	7.4%	0.87%
2007	46,900	132,000	626,000	5,370,000	35.4%	7.5%	0.87%
2008	48,000	135,000	631,000	5,400,000	35.6%	7.6%	0.89%
2009	49,500	138,000	643,000	5,480,000	35.7%	7.7%	0.90%
2010	50,600	141,000	660,000	5,590,000	35.9%	7.7%	0.91%
2011	52,000	144,000	676,000	5,680,000	36.0%	7.7%	0.91%
2012	53,000	146,000	691,000	5,760,000	36.2%	7.7%	0.92%
2013	55,100	152,000	712,000	5,880,000	36.3%	7.7%	0.94%
2014	57,200	157,000	736,000	6,010,000	36.5%	7.8%	0.95%
2015	59,300	162,000	760,000	6,130,000	36.6%	7.8%	0.97%
2016	61,400	167,000	786,000	6,280,000	36.7%	7.8%	0.98%
Average Annual growth							
2006-2016	2.90%	2.48%	2.37%	1.67%			

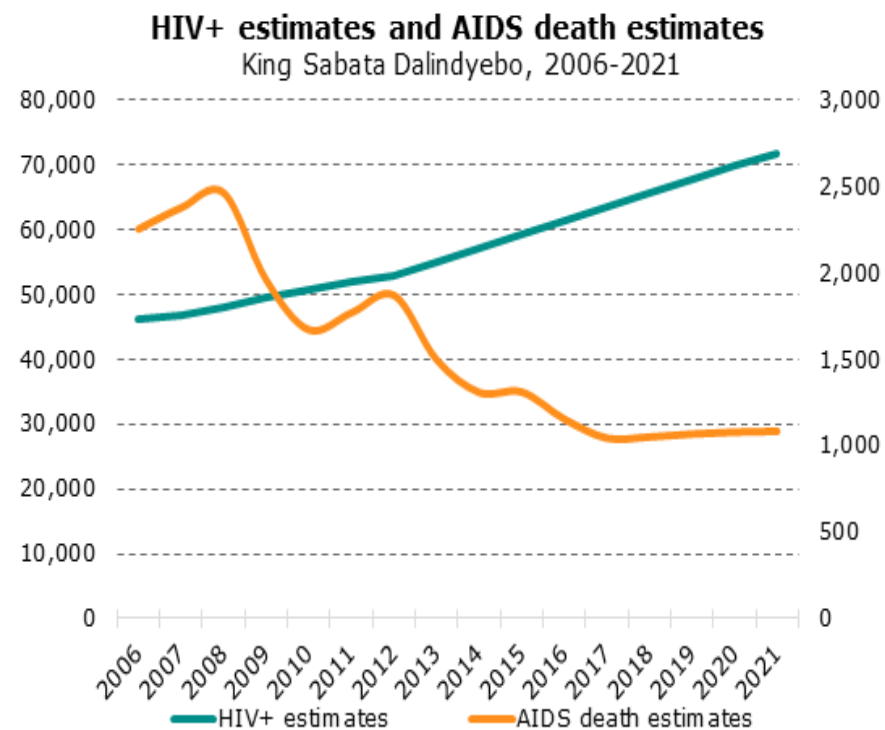
Source: IHS Markit Regional eXplorer version 1181

In 2016, 61 400 people in the King Sabata Dalindyebo Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 2.90% since 2006, and in 2016 represented 12.44% of the local municipality's total population. The O.R.Tambo District

Municipality had an average annual growth rate of 2.48% from 2006 to 2016 in the number of people infected with HIV, which is lower than that of the King Sabata Dalindyebo Local Municipality. The number of infections in the Eastern Cape Province increased from 622,000 in 2006 to 786,000 in 2016. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2006 to 2016 with an average annual growth rate of 1.67%.

The lifespan of people that are HIV+ could be prolonged with modern ARV treatments. In the absence of any treatment, people diagnosed with HIV can live for 10 years and longer before they reach the final AIDS stage of the disease.

CHART 6. AIDS PROFILE AND FORECAST - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2021 [NUMBERS]



Source: IHS Markit Regional eXplorer version 1181

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 2250 in 2006 and 1150 for 2016. This number denotes a decrease from 2006 to 2016 with a high average annual rate of -6.47% (or -1100 people). For the year 2016, they represented 0.23% of the total population of the entire local municipality.

Economy

The economic state of King Sabata Dalindyebo Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, O.R.Tambo District Municipality, Eastern Cape Province and South Africa.

The King Sabata Dalindyebo Local Municipality does not function in isolation from O.R.Tambo, Eastern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

1.2.7 Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

Definition: Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

TABLE 8. GROSS DOMESTIC PRODUCT (GDP) - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [R BILLIONS, CURRENT PRICES]

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
2006	10.4	16.3	142.2	1,839.4	63.6%	7.3%	0.56%
2007	12.2	19.4	168.2	2,109.5	63.2%	7.3%	0.58%
2008	12.7	20.1	174.1	2,369.1	63.2%	7.3%	0.54%
2009	14.1	22.2	191.2	2,507.7	63.4%	7.4%	0.56%
2010	15.7	24.6	211.6	2,748.0	63.8%	7.4%	0.57%
2011	16.8	26.3	226.1	3,023.7	63.9%	7.4%	0.56%
2012	18.8	29.2	252.2	3,253.9	64.3%	7.4%	0.58%
2013	20.1	31.2	273.2	3,539.8	64.6%	7.4%	0.57%
2014	21.5	33.1	293.9	3,807.7	64.8%	7.3%	0.56%
2015	23.1	35.5	315.6	4,049.8	65.0%	7.3%	0.57%
2016	24.7	38.0	338.5	4,345.8	64.9%	7.3%	0.57%

Source: IHS Markit Regional eXplorer version 1181

With a GDP of R 24.7 billion in 2016 (up from R 10.4 billion in 2006), the King Sabata Dalindyebo Local Municipality contributed 64.90% to the O.R.Tambo District Municipality GDP of R 38 billion in 2016 increasing in the share of the O.R.Tambo from 63.64% in 2006. The King Sabata Dalindyebo Local Municipality contributes 7.29% to the GDP of Eastern Cape Province and 0.57% the GDP of South Africa which had a total GDP of R 4.35 trillion in 2016 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2006 when it contributed 0.56% to South Africa, but it is lower than the peak of 0.58% in 2007.

TABLE 9. GROSS DOMESTIC PRODUCT (GDP) - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

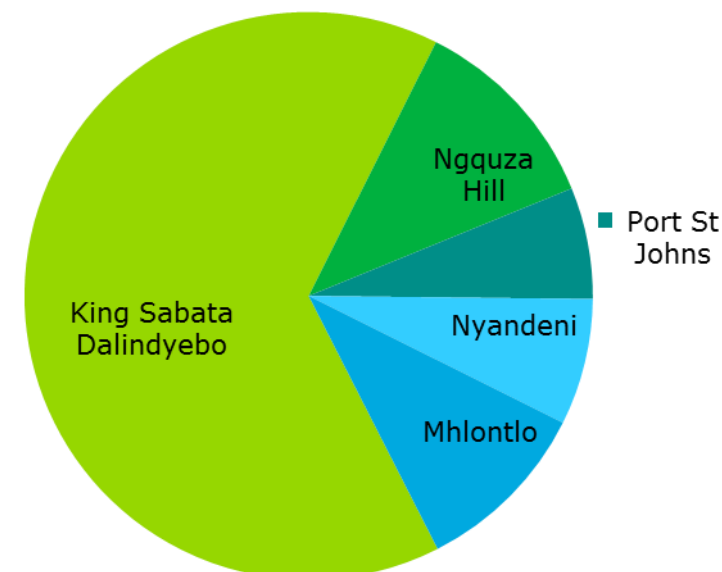
	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total
2006	3.5%	3.6%	5.3%	5.3%
2007	3.1%	4.0%	5.3%	5.4%
2008	4.6%	4.1%	3.2%	3.2%
2009	-1.9%	-1.8%	-1.0%	-1.5%
2010	0.9%	0.1%	2.4%	3.0%
2011	2.0%	2.2%	3.7%	3.3%
2012	0.9%	0.5%	2.0%	2.2%
2013	0.9%	0.2%	1.4%	2.5%
2014	0.7%	0.2%	1.1%	1.7%
2015	1.1%	0.8%	0.7%	1.3%
2016	0.1%	0.0%	0.3%	0.3%
Average Annual growth 2006-2016+	1.23%	1.02%	1.89%	2.12%

Source: IHS Markit Regional eXplorer version 1181

In 2016, the King Sabata Dalindyebo Local Municipality achieved an annual growth rate of 0.05% which is a very similar GDP growth than the Eastern Cape Province's 0.25%, but is lower than that of South Africa, where the 2016 GDP growth rate was 0.28%. Contrary to the short-term growth rate of 2016, the longer-term average growth rate for King Sabata Dalindyebo (1.23%) is significant lower than that of South Africa (2.12%). The economic growth in King Sabata Dalindyebo peaked in 2008 at 4.58%.

CHART 7. GROSS DOMESTIC PRODUCT (GDP) - KING SABATA DALINDYEBO LOCAL MUNICIPALITY AND THE REST OF O.R.TAMBO, 2016 [PERCENTAGE]

Gross Domestic Product (GDP) O.R.Tambo District Municipality, 2016



Source: IHS Markit Regional eXplorer version 1181

The King Sabata Dalindyebo Local Municipality had a total GDP of R 24.7 billion and in terms of total contribution towards O.R.Tambo District Municipality. The King Sabata Dalindyebo Local Municipality ranked highest relative to all the regional economies to total O.R.Tambo District Municipality GDP. This ranking in terms of size compared to other regions of King Sabata Dalindyebo remained the same since 2006. In terms of its share, it was in 2016 (64.9%) significantly larger compared to what it was in 2006 (63.6%). For the period 2006 to 2016, the average annual growth rate of 1.2% of King Sabata Dalindyebo was the highest relative to its peers in terms of growth in constant 2010 prices.

TABLE 10. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN O.R.TAMBO DISTRICT MUNICIPALITY, 2006 TO 2016, SHARE AND GROWTH

	2016 (Current prices)	Share of local municipality	2006 (Constant prices)	2016 (Constant prices)	Average Annual growth
King Sabata Dalindyebo	24.67	64.90%	14.65	16.55	1.23%
Ngquza Hill	4.34	11.42%	2.64	2.91	0.95%
Port St Johns	2.42	6.35%	1.65	1.62	-0.20%
Nyandeni	2.74	7.20%	1.74	1.83	0.48%
Mhlontlo	3.85	10.13%	2.37	2.62	1.00%

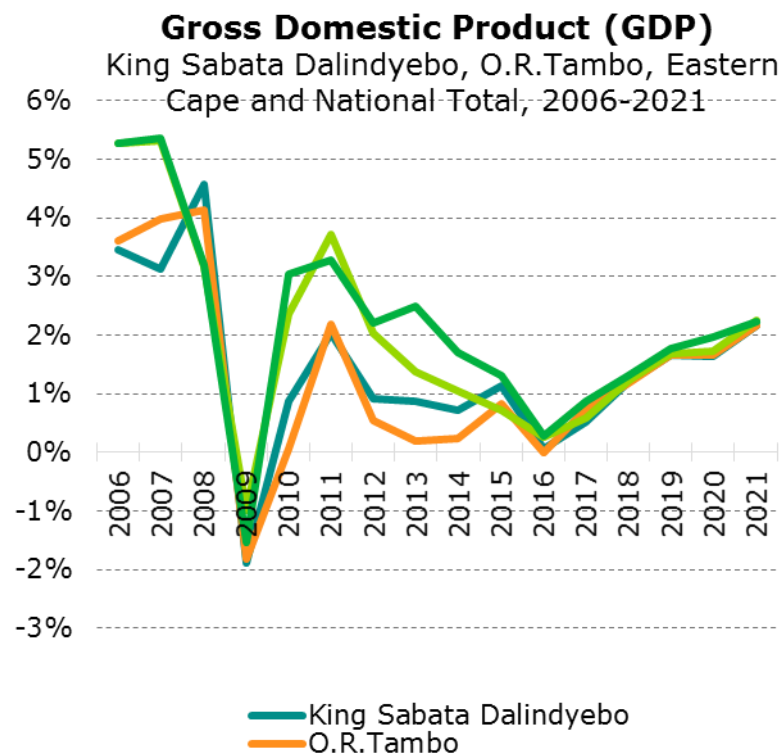
Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo had the highest average annual economic growth, averaging 1.23% between 2006 and 2016, when compared to the rest of the regions within O.R.Tambo District Municipality. The Mhlontlo Local Municipality had the second highest average annual growth rate of 1.00%. Port St Johns Local Municipality had the lowest average annual growth rate of -0.20% between 2006 and 2016.

1.2.8 Economic Growth Forecast

It is expected that King Sabata Dalindyebo Local Municipality will grow at an average annual rate of 1.43% from 2016 to 2021. The average annual growth rate in the GDP of O.R.Tambo District Municipality and Eastern Cape Province is expected to be 1.48% and 1.49% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.62%, which is higher than that of the King Sabata Dalindyebo Local Municipality.

TABLE 11. GROSS DOMESTIC PRODUCT (GDP) - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2021 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



Source: IHS Markit Regional eXplorer version

In 2021, King Sabata Dalindyebo's forecasted GDP will be an estimated R 17.8 billion (constant 2010 prices) or 64.7% of the total GDP of O.R.Tambo District Municipality. The ranking in terms of size of the King Sabata Dalindyebo Local Municipality will remain the same between 2016 and 2021, with a contribution to the O.R.Tambo District Municipality GDP of 64.7% in 2021 compared to the 64.8% in 2016. At a 1.43% average annual GDP growth rate between 2016

and 2021, King Sabata Dalindyebo ranked the fourth compared to the other regional economies.

TABLE 12. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN O.R.TAMBO DISTRICT MUNICIPALITY, 2006 TO 2021, SHARE AND GROWTH

	2021 (Current prices)	Share of district municipality	2006 (Constant prices)	2021 (Constant prices)	Average Annual growth
King Sabata Dalindyebo	28.60	104.14%	14.65	17.77	1.29%
Ngquza Hill	5.03	18.30%	2.64	3.13	1.13%
Port St Johns	2.77	10.07%	1.65	1.74	0.34%
Nyandeni	3.21	11.70%	1.74	2.00	0.92%
Mhlontlo	4.46	16.26%	2.37	2.82	1.17%

Source: IHS Markit Regional eXplorer version 1181

1.2.9 Gross Value Added by Region (GVA-R)

The King Sabata Dalindyebo Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

Definition: Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the King Sabata Dalindyebo Local Municipality.

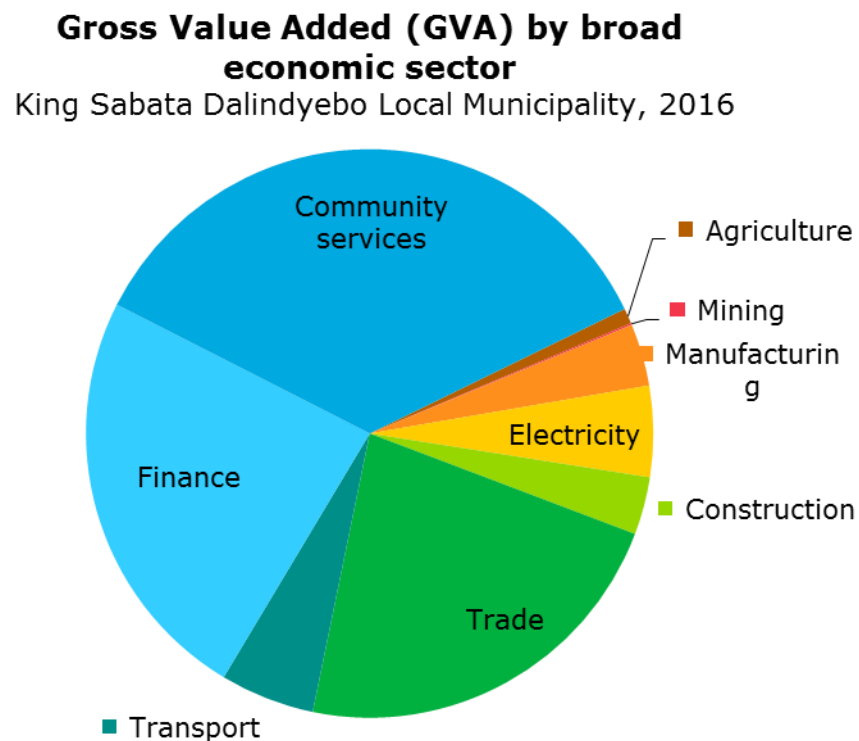
TABLE 13. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016 [R BILLIONS, CURRENT PRICES]

	King Sabata Dalindye bo	O.R.Tam bo	Easte rn Cape	Nation al Total	King Sabata Dalindye bo as % of district municipal ity	King Sabata Dalindye bo as % of province	King Sabata Dalindye bo as % of national
Agriculture	0.2	0.5	5.9	94.4	41.3%	3.4%	0.21%
Mining	0.0	0.1	0.5	306.2	25.3%	5.1%	0.01%
Manufactur ing	0.8	1.6	36.3	517.4	51.9%	2.2%	0.16%
Electricity	1.2	1.4	6.2	144.1	85.5%	19.1%	0.82%
Constructio n	0.7	1.2	13.2	154.3	63.8%	5.7%	0.49%
Trade	5.1	8.1	61.5	589.7	63.5%	8.3%	0.87%
Transport	1.2	1.9	27.5	389.2	64.3%	4.5%	0.32%
Finance	5.5	7.3	60.5	781.7	74.7%	9.0%	0.70%
Community services	8.1	12.8	90.4	901.1	63.1%	8.9%	0.89%
Total Industries	22.8	34.8	301.9	3,878.2	65.7%	7.6%	0.59%

Source: IHS Markit Regional eXplorer version 1181

In 2016, the community services sector is the largest within King Sabata Dalindyebo Local Municipality accounting for R 8.06 billion or 35.3% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the King Sabata Dalindyebo Local Municipality is the finance sector at 23.9%, followed by the trade sector with 22.5%. The sector that contributes the least to the economy of King Sabata Dalindyebo Local Municipality is the mining sector with a contribution of R 22.9 million or 0.10% of the total GVA.

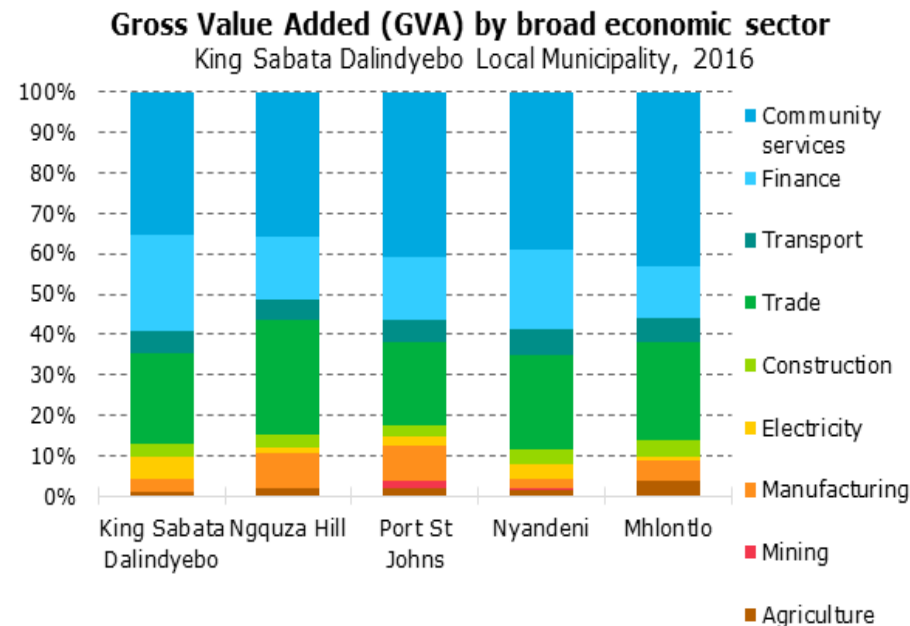
CHART 8. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016 [PERCENTAGE COMPOSITION]



Source: IHS Markit Regional eXplorer version 1181

The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the O.R.Tambo District Municipality, it is clear that the King Sabata Dalindyebo contributes the most community services towards its own GVA, with 63.13%, relative to the other regions within O.R.Tambo District Municipality. The King Sabata Dalindyebo contributed R 22.8 billion or 65.72% to the GVA of O.R.Tambo District Municipality. The King Sabata Dalindyebo also contributes the most the overall GVA of O.R.Tambo District Municipality.

CHART 9. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - KING SABATA DALINDYEBO, NGQUZA HILL, PORT ST JOHNS, NYANDENI AND MHLONTLO, 2016 [PERCENTAGE COMPOSITION]



Source: IHS Markit Regional eXplorer version 1181

1.2.10 Historical Economic Growth

For the period 2016 and 2006, the GVA in the construction sector had the highest average annual growth rate in King Sabata Dalindyebo at 2.93%. The industry with the second highest average annual growth rate is the finance sector averaging at 2.56% per year. The mining sector had an average annual growth rate of -0.86%, while the electricity sector had the lowest average annual growth of -4.68%. Overall a positive growth existed for all the industries in 2016 with an annual growth rate of 0.05% since 2015.

TABLE 14. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006, 2011 AND 2016 [R MILLIONS, 2010 CONSTANT PRICES]

	2006	2011	2016	Average Annual growth
Agriculture	130.8	157.5	136.9	0.46%
Mining	39.2	35.0	35.9	-0.86%
Manufacturing	606.5	592.3	574.6	-0.54%
Electricity	719.0	689.0	445.5	-4.68%
Construction	353.2	441.5	471.4	2.93%
Trade	3,030.9	3,276.3	3,473.0	1.37%
Transport	727.9	771.5	799.9	0.95%
Finance	3,032.1	3,430.6	3,904.0	2.56%
Community services	5,092.9	5,534.4	5,644.8	1.03%
Total Industries	13,732.4	14,928.3	15,485.9	1.21%

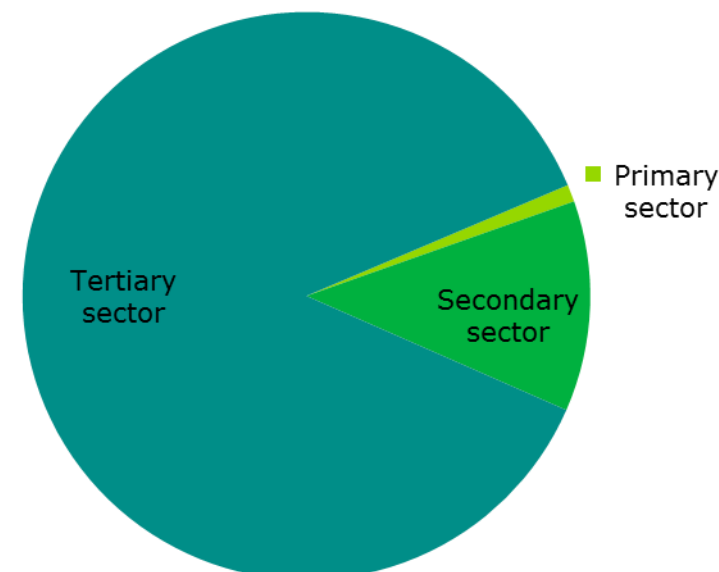
Source: IHS Markit Regional eXplorer version 1181

The tertiary sector contributes the most to the Gross Value Added within the King Sabata Dalindyebo Local Municipality at 87.0%. This is significantly higher than the national economy (68.6%). The secondary sector contributed a total of 12.0% (ranking second), while the primary sector contributed the least at 1.0%.

CHART 10. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016 [PERCENTAGE]

Gross Value Added (GVA) by aggregate sector

King Sabata Dalindyebo Local Municipality, 2016



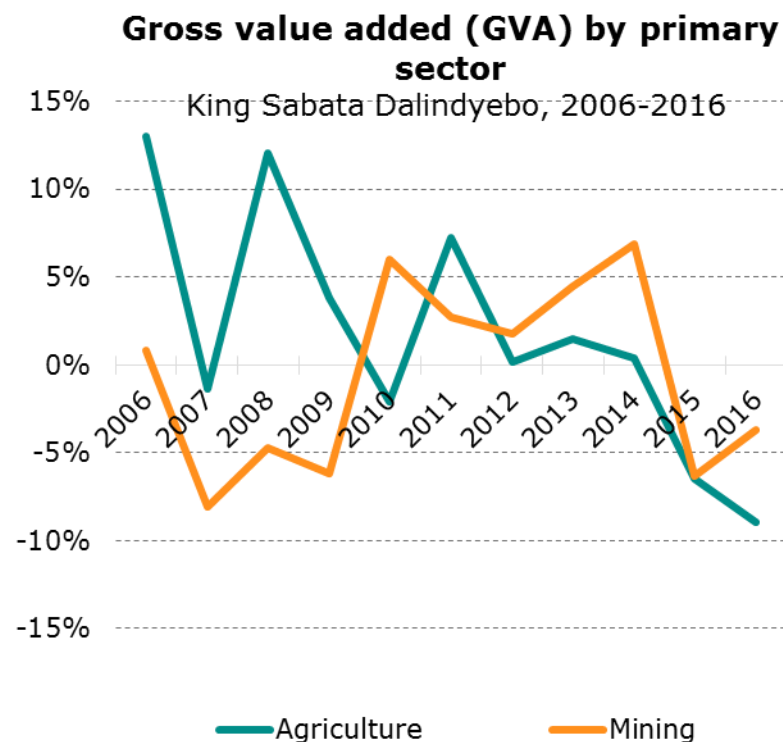
Source: IHS Markit Regional eXplorer version 1181

The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

1.2.10.1 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in King Sabata Dalindyebo Local Municipality from 2006 to 2016.

CHART 11. GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - KING SABATA DALINDYEBO, 2006-2016 [ANNUAL PERCENTAGE CHANGE]



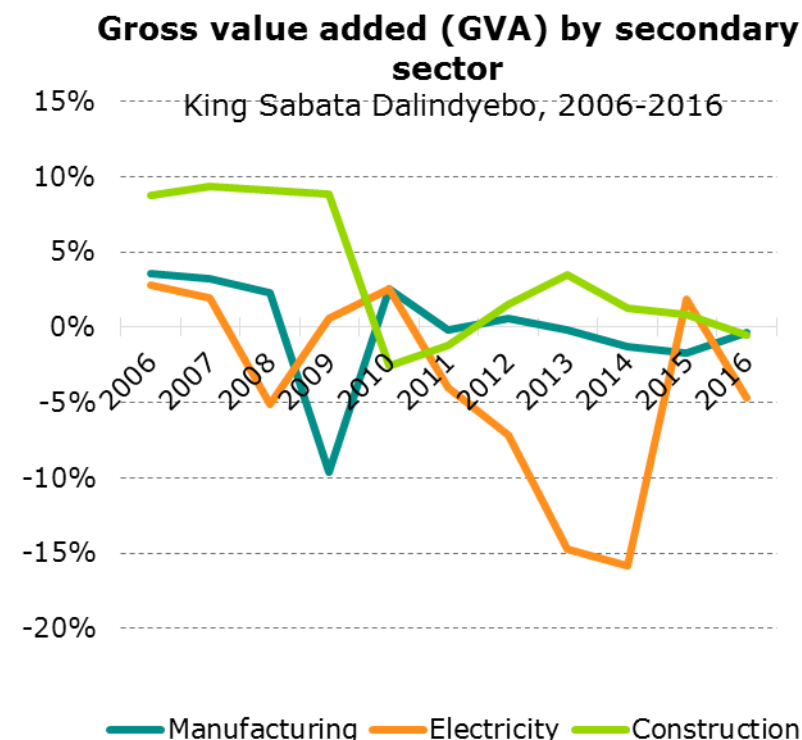
Source: IHS Markit Regional eXplorer version

Between 2006 and 2016, the agriculture sector experienced the highest positive growth in 2006 with an average growth rate of 13.0%. The mining sector reached its highest point of growth of 6.9% in 2014. The agricultural sector experienced the lowest growth for the period during 2016 at -8.9%, while the mining sector reaching its lowest point of growth in 2007 at -8.1%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

1.2.11 Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in King Sabata Dalindyebo Local Municipality from 2006 to 2016.

CHART 12. GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - KING SABATA DALINDYEBO, 2006-2016 [ANNUAL PERCENTAGE CHANGE]



Source: IHS Markit Regional eXplorer version

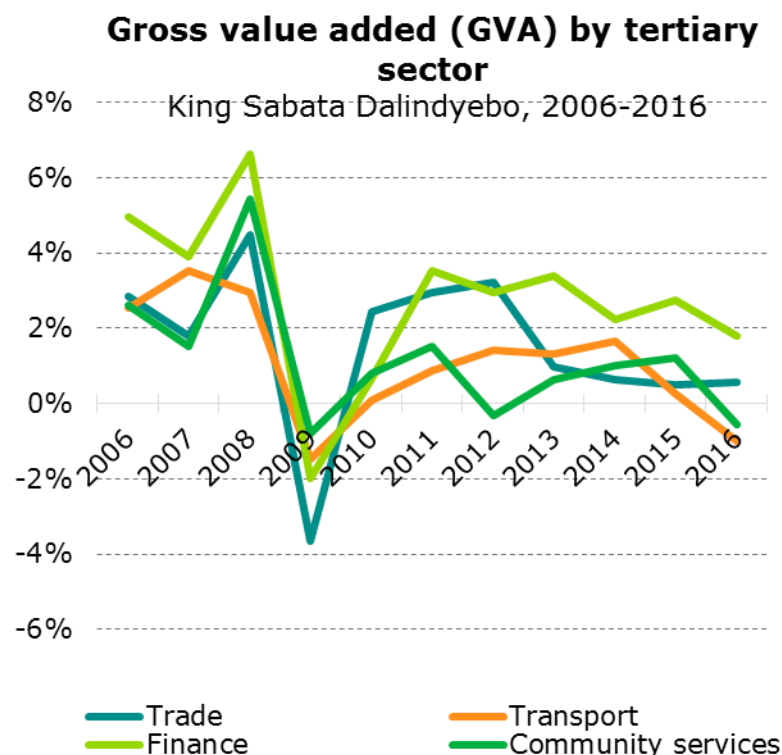
Between 2006 and 2016, the manufacturing sector experienced the highest positive growth in 2006 with a growth rate of 3.6%. The construction sector reached its highest growth in 2007 at 9.4%. The manufacturing sector experienced its lowest growth in 2010 of -9.6%, while

construction sector reached its lowest point of growth in 2010 with a -2.6% growth rate. The electricity sector experienced the highest growth in 2006 at 2.8%, while it recorded the lowest growth of -15.9% in 2014.

1.2.11.1 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in King Sabata Dalindyebo Local Municipality from 2006 to 2016.

CHART 13. GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - KING SABATA DALINDYEBO, 2006-2016 [ANNUAL PERCENTAGE CHANGE]



Source: IHS Markit Regional eXplorer version

The trade sector experienced the highest positive growth in 2008 with a growth rate of 4.5%. The transport sector reached its highest point of growth in 2007 at 3.5%. The finance sector experienced the highest growth rate in 2008 when it grew by 6.6% and recorded the lowest growth rate in 2009 at -2.0%. The Trade sector also had the lowest growth rate in 2009 at -3.6%. The community services sector, which largely consists of government, experienced its highest positive growth in 2008 with 5.4% and the lowest growth rate in 2009 with -0.8%.

1.2.11.2 Sector Growth forecast

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

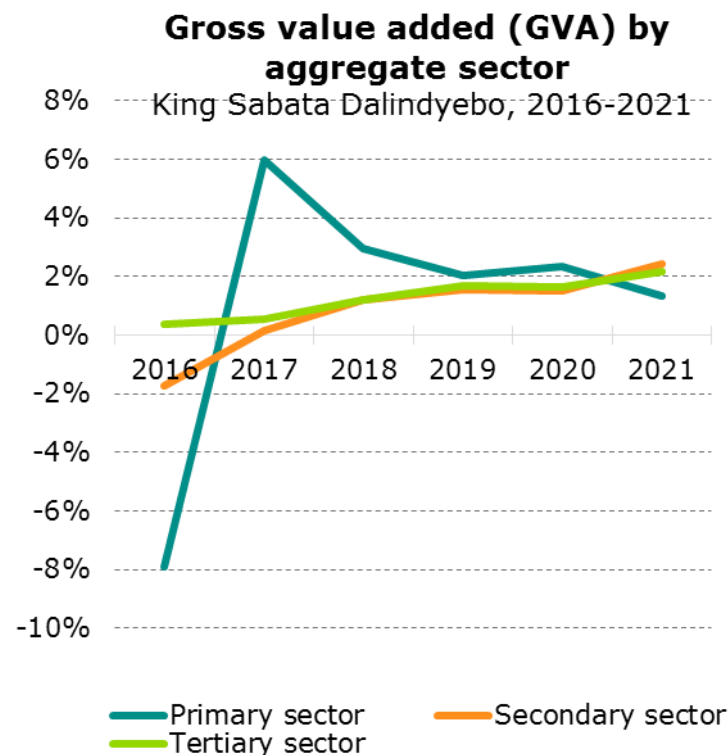
TABLE 15. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016-2021 [R MILLIONS, CONSTANT 2010 PRICES]

	2016	2017	2018	2019	2020	2021	Average Annual growth
Agriculture	136.9	144.9	148.7	151.6	152.3	154.0	2.39%
Mining	35.9	38.3	39.8	40.8	44.6	45.5	4.83%
Manufacturing	574.6	568.5	571.7	578.1	586.5	598.2	0.81%
Electricity	445.5	447.9	451.2	459.5	465.9	476.2	1.34%
Construction	471.4	477.5	488.9	497.6	506.1	521.7	2.05%
Trade	3,473.0	3,466.6	3,502.3	3,551.8	3,616.5	3,709.8	1.33%
Transport	799.9	807.8	824.9	842.0	861.2	884.7	2.04%
Finance	3,904.0	3,928.2	4,033.9	4,149.3	4,250.2	4,372.3	2.29%
Community services	5,644.8	5,695.1	5,703.2	5,755.1	5,807.0	5,882.7	0.83%
Total	15,485.	15,574.	15,764.	16,025.	16,290.	16,645.	
Industries	9	8	7	8	3	3	1.45%

Source: IHS Markit Regional eXplorer version 1181

The mining sector is expected to grow fastest at an average of 4.83% annually from R 35.9 million in King Sabata Dalindyebo Local Municipality to R 45.5 million in 2021. The community services sector is estimated to be the largest sector within the King Sabata Dalindyebo Local Municipality in 2021, with a total share of 35.3% of the total GVA (as measured in current prices), growing at an average annual rate of 0.8%. The sector that is estimated to grow the slowest is the manufacturing sector with an average annual growth rate of 0.81%.

TABLE 16. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016-2021 [ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



Source: IHS Markit Regional eXplorer

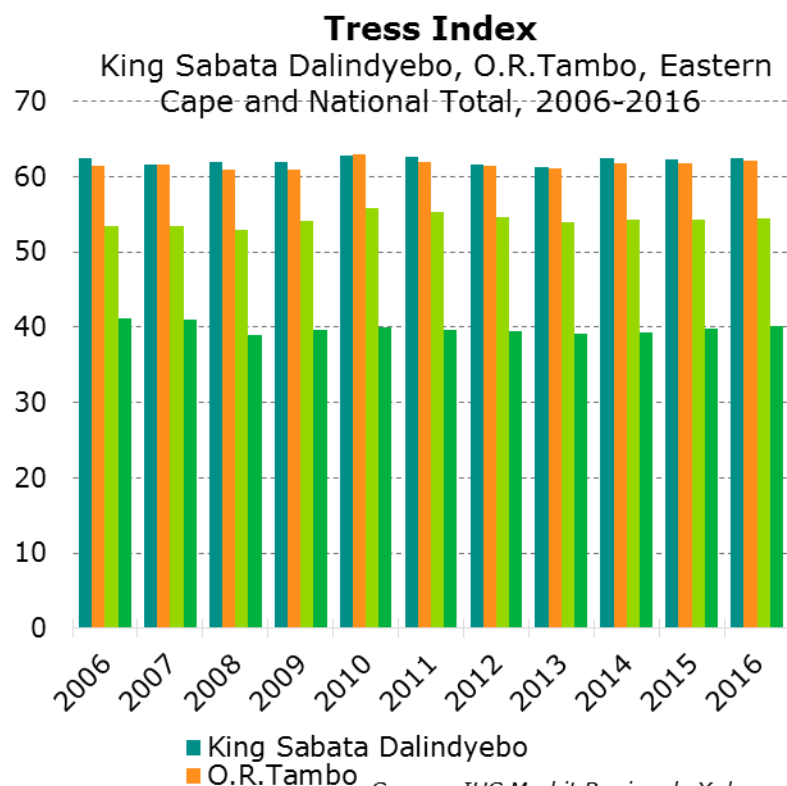
The Primary sector is expected to grow at an average annual rate of 2.92% between 2016 and 2021, with the Secondary sector growing at 1.37% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.45% for the same period.

Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.

1.2.11.3 Tress Index

Definition: The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

CHART 14. TRESS INDEX - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER]



Source: IHS Markit Regional eXplorer version

In 2016, King Sabata Dalindyebo's Tress Index was estimated at 62.5 which are higher than the 62.1 of the district municipality and higher than the 62.1 of the province. This implies that - on

average - King Sabata Dalindyebo Local Municipality is less diversified in terms of its economic activity spread than the province's economy as a whole.

The King Sabata Dalindyebo Local Municipality has a concentrated community services sector. *The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are of concern, clearly there need to be industries that are growing fast and also creating jobs in particular the lower skilled categories. Unfortunately, in practice many industries that are growing fast are not those that create many employment opportunities for unskilled labourers (and alleviate unemployment).*

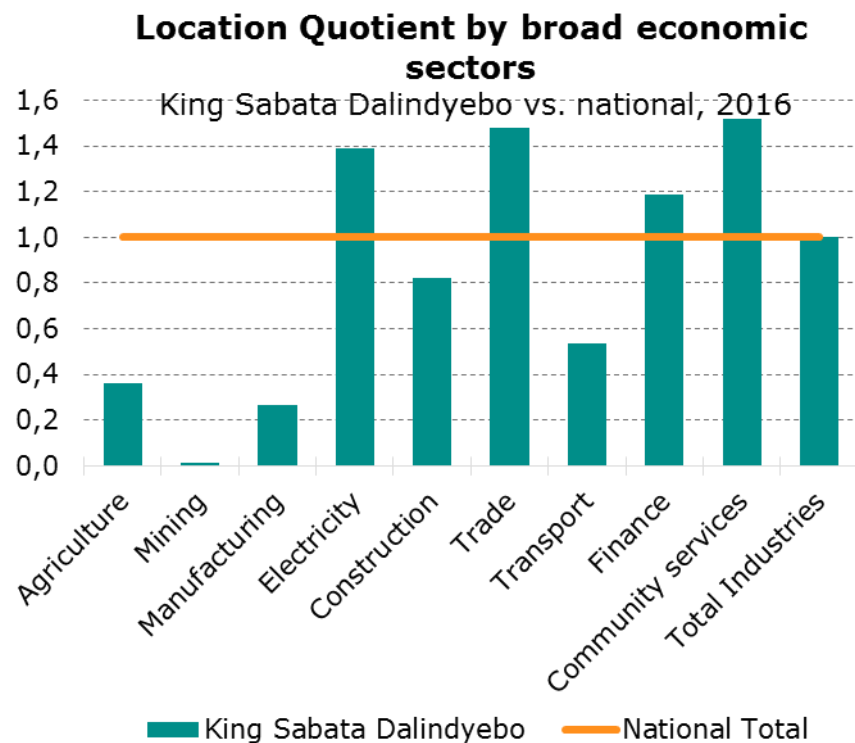
1.2.11.4 Location Quotient

Definition: A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage.

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

CHART 15. LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - KING SABATA DALINDYEBO LOCAL MUNICIPALITY AND SOUTH AFRICA, 2016
[NUMBER]

Unfortunately the King Sabata Dalindyebo Local Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0127.



Source: IHS Markit Regional eXplorer version

For 2016 King Sabata Dalindyebo Local Municipality has a very large comparative advantage in the community services sector. The trade sector has a comparative advantage. The electricity also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The King Sabata Dalindyebo Local Municipality has a comparative disadvantage when it comes to the mining and manufacturing sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector.

1.2.11.5 Labour

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

TABLE 17. WORKING AGE POPULATION IN KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006 AND 2016 [NUMBER]

	King Sabata Dalindyebo		O.R.Tambo		Eastern Cape		National Total	
	2006	2016	2006	2016	2006	2016	2006	2016
15-19	61,900	54,500	189,000	169,000	803,000	634,000	5,290,000	4,550,000
20-24	53,600	57,300	148,000	154,000	701,000	694,000	5,260,000	5,000,000
25-29	36,200	54,000	98,200	138,000	530,000	684,000	4,550,000	5,620,000
30-34	22,100	42,200	58,600	114,000	355,000	589,000	3,570,000	5,300,000
35-39	16,300	30,000	45,000	78,200	288,000	438,000	2,930,000	4,240,000
40-44	15,900	18,200	44,700	46,700	286,000	298,000	2,610,000	3,120,000
45-49	14,800	13,800	42,600	37,800	286,000	247,000	2,290,000	2,530,000
50-54	12,700	13,200	37,200	37,600	241,000	249,000	1,880,000	2,260,000
55-59	9,900	13,800	30,300	38,000	205,000	249,000	1,520,000	1,990,000
60-64	9,750	11,000	29,000	32,300	171,000	207,000	1,170,000	1,610,000
Total	253,189	308,047	722,530	844,513	3,866,790	4,289,261	31,071,485	36,220,290

Source: IHS Markit Regional eXplorer version 1181

The working age population in King Sabata Dalindyebo in 2016 was 308 000, increasing at an average annual rate of 1.98% since 2006. For the same period the working age population for O.R.Tambo District Municipality increased at 1.57% annually, while that of Eastern Cape Province increased at 1.04% annually. South Africa's working age population has increased annually by 1.55% from 31.1 million in 2006 to 36.2 million in 2016.

In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure, FCE), and a more dense concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.

1.2.11.6 Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

Definition: The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

TABLE 18. ECONOMICALLY ACTIVE POPULATION (EAP) - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER, PERCENTAGE]

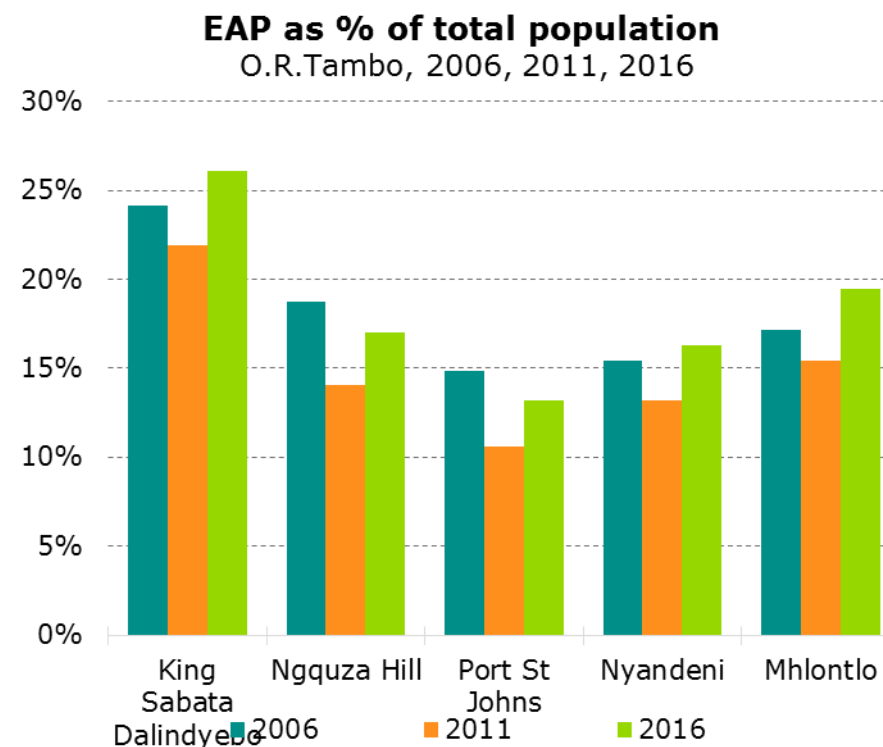
	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
2006	105,000	256,000	1,840,000	17,500,000	41.1%	5.7%	0.60%
2007	107,000	259,000	1,850,000	18,000,000	41.3%	5.8%	0.59%
2008	107,000	255,000	1,840,000	18,400,000	42.0%	5.8%	0.58%
2009	105,000	244,000	1,790,000	18,300,000	42.9%	5.8%	0.57%
2010	101,000	231,000	1,730,000	18,100,000	43.8%	5.8%	0.56%
2011	101,000	227,000	1,740,000	18,300,000	44.6%	5.8%	0.55%
2012	103,000	232,000	1,770,000	18,700,000	44.5%	5.8%	0.55%
2013	109,000	246,000	1,840,000	19,300,000	44.4%	5.9%	0.57%
2014	118,000	265,000	1,940,000	20,100,000	44.4%	6.1%	0.58%
2015	124,000	279,000	2,010,000	20,800,000	44.4%	6.2%	0.60%
2016	129,000	291,000	2,070,000	21,300,000	44.2%	6.2%	0.60%
Average Annual growth							

King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
2006-2016	2.02%	1.29%	1.17%	1.98%		

Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo Local Municipality's EAP was 129 000 in 2016, which is 26.10% of its total population of 494 000, and roughly 44.23% of the total EAP of the O.R.Tambo District Municipality. From 2006 to 2016, the average annual increase in the EAP in the King Sabata Dalindyebo Local Municipality was 2.02%, which is 0.738 percentage points higher than the growth in the EAP of O.R.Tambo's for the same period.

CHART 16. EAP AS % OF TOTAL POPULATION - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO, 2006, 2011, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version

In 2006, 24.1% of the total population in King Sabata Dalindyebo Local Municipality were classified as economically active which increased to 26.1% in 2016. Compared to the other regions in O.R.Tambo District Municipality, King Sabata Dalindyebo Local Municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Port St Johns Local Municipality had the lowest EAP with 13.2% people classified as economically active population in 2016.

1.2.11.7 Labour Force participation rate

Definition: The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the King Sabata Dalindyebo, O.R.Tambo, Eastern Cape and National Total as a whole.

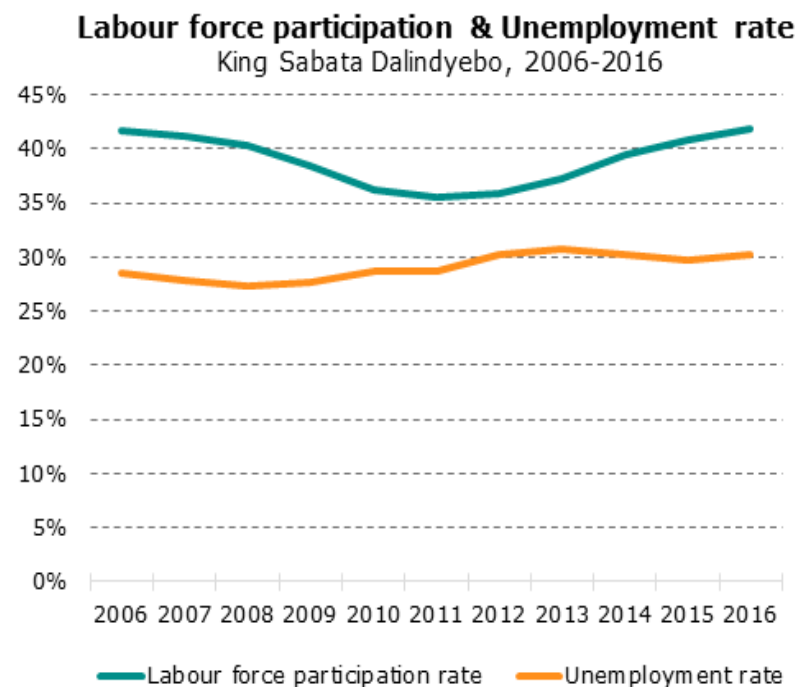
TABLE 19. THE LABOUR FORCE PARTICIPATION RATE - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total
2006	41.7%	35.5%	47.6%	56.4%
2007	41.2%	35.1%	47.3%	57.0%
2008	40.2%	33.8%	46.5%	57.4%
2009	38.4%	31.7%	44.9%	56.2%
2010	36.2%	29.5%	42.9%	54.5%
2011	35.6%	28.6%	42.6%	54.3%
2012	35.9%	28.9%	43.1%	54.7%
2013	37.3%	30.4%	44.4%	55.7%
2014	39.5%	32.3%	46.2%	57.1%
2015	40.8%	33.5%	47.3%	58.1%
2016	41.8%	34.5%	48.2%	58.8%

Source: IHS Markit Regional eXplorer version 1181

The King Sabata Dalindyebo Local Municipality's labour force participation rate increased from 41.66% to 41.84% which is an increase of 0.18 percentage points. The O.R.Tambo District Municipality decreased from 35.49% to 34.50%, Eastern Cape Province increased from 47.58% to 48.19% and South Africa increased from 56.37% to 58.83% from 2006 to 2016. The King Sabata Dalindyebo Local Municipality labour force participation rate exhibited a lower percentage point change compared to the Eastern Cape Province from 2006 to 2016. The King Sabata Dalindyebo Local Municipality had a lower labour force participation rate when compared to South Africa in 2016.

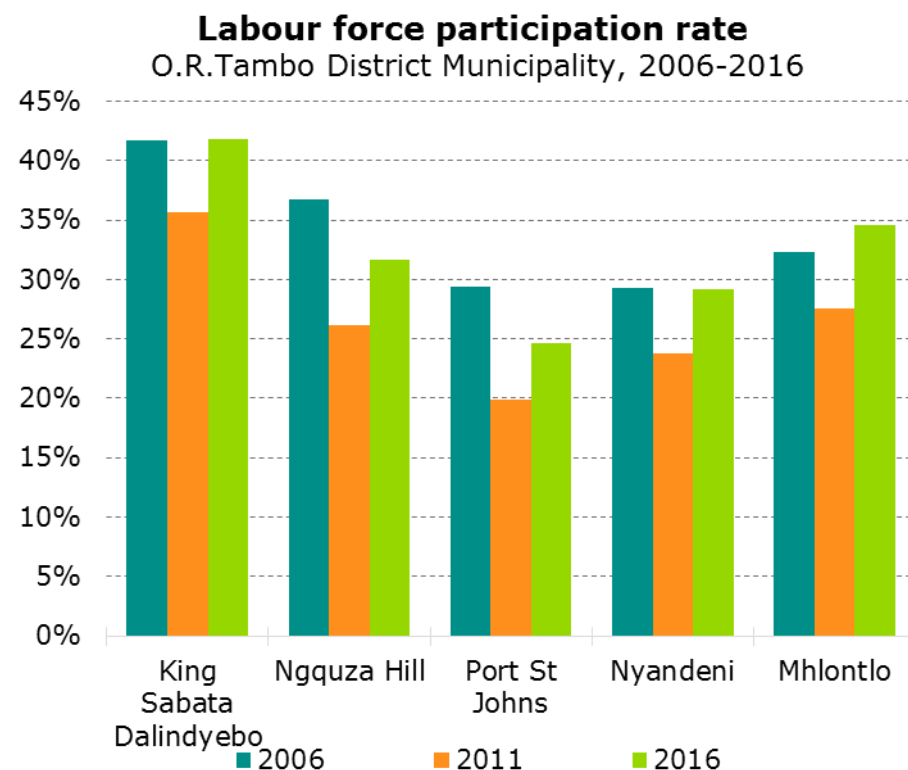
CHART 17. THE LABOUR FORCE PARTICIPATION RATE - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

In 2016 the labour force participation rate for King Sabata Dalindyebo was at 41.8% which is very similar when compared to the 41.7% in 2006. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2006, the unemployment rate for King Sabata Dalindyebo was 28.6% and increased overtime to 30.2% in 2016. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within King Sabata Dalindyebo Local Municipality.

CHART 18. THE LABOUR FORCE PARTICIPATION RATE - KING SABATA DALINDYEBO, NGQUZA HILL, PORT ST JOHNS, NYANDENI AND MHLONTLO, 2006, 2011 AND 2016 [PERCENTAGE]



King Sabata Dalindyebo Local Municipality had the highest labour force participation rate with 41.8% in 2016 increasing from 41.7% in 2006. Port St Johns Local Municipality had the lowest labour force participation rate of 24.7% in 2016, this decreased from 29.4% in 2006.

1.2.11.8 Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural

changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Definition: Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

TABLE 20. TOTAL EMPLOYMENT - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS]

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total
2006	86,100	173,000	1,330,000	13,000,000
2007	88,300	178,000	1,350,000	13,500,000
2008	89,200	176,000	1,350,000	14,100,000
2009	86,500	167,000	1,320,000	14,000,000
2010	82,100	155,000	1,260,000	13,600,000
2011	81,800	151,000	1,260,000	13,800,000
2012	81,300	149,000	1,270,000	14,000,000
2013	84,900	156,000	1,310,000	14,500,000
2014	91,900	168,000	1,370,000	15,100,000
2015	97,400	178,000	1,430,000	15,500,000
2016	101,000	185,000	1,460,000	15,700,000
Average Annual growth				
2006-2016	1.61%	0.67%	0.91%	1.89%

Source: IHS Markit Regional eXplorer version 1181

In 2016, King Sabata Dalindyebo employed 101 000 people which is 54.55% of the total employment in O.R.Tambo District Municipality (185 000), 6.93% of total employment in Eastern Cape Province (1.46 million), and 0.64% of the total employment of 15.7 million in South Africa. Employment within King Sabata Dalindyebo increased annually at an average rate of 1.61% from 2006 to 2016.

TABLE 21. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO, 2016 [NUMBERS]

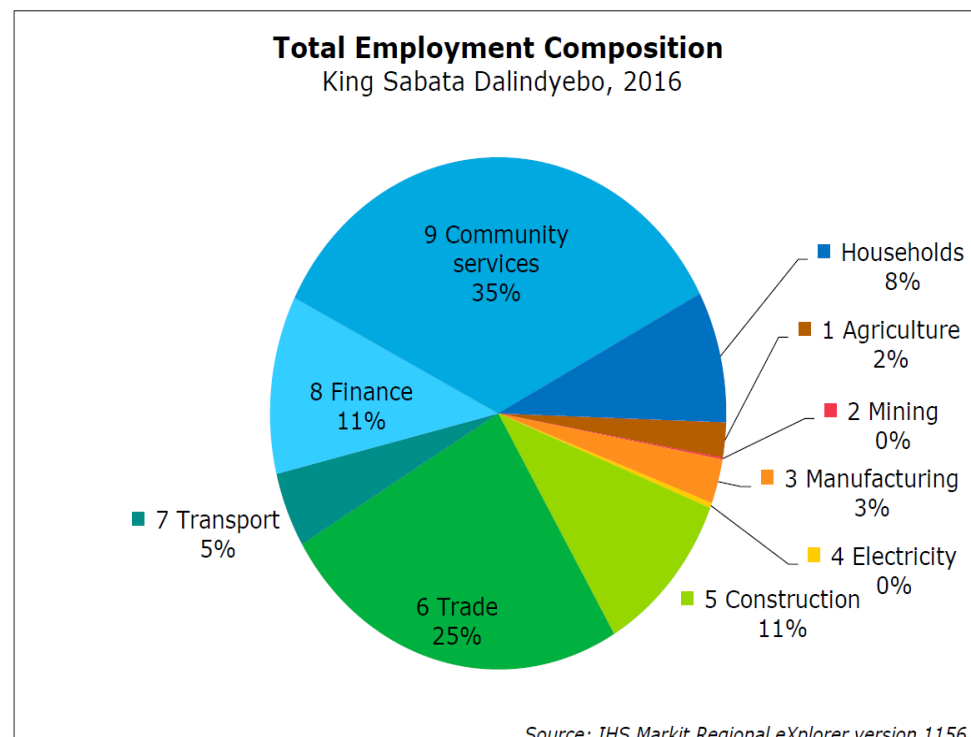
	King Sabata Dalindyebo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo	Total O.R.Tambo
Agriculture	2,230	1,010	639	479	1,540	5,901
Mining	110	67	38	57	27	300
Manufacturing	2,860	848	565	599	1,150	6,018
Electricity	323	86	46	110	82	646
Construction	10,500	3,610	2,240	2,440	3,150	21,925
Trade	25,400	5,730	3,660	4,620	4,960	44,337
Transport	4,790	885	624	1,060	1,310	8,678
Finance	11,500	2,200	1,330	2,560	2,170	19,795
Community services	35,000	8,320	5,480	6,700	7,480	62,990
Households	8,250	1,890	1,090	1,550	1,780	14,560
Total	101,000	24,600	15,700	20,200	23,600	185,151

Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo Local Municipality employs a total number of 101 000 people within its local municipality. King Sabata Dalindyebo Local Municipality also employs the highest number of people within O.R.Tambo District Municipality. The local municipality that employs the lowest number of people relative to the other regions within O.R.Tambo District Municipality is Port St Johns local municipality with a total number of 15 700 employed people.

In King Sabata Dalindyebo Local Municipality the economic sectors that recorded the largest number of employment in 2016 were the community services sector with a total of 35 000 employed people or 34.7% of total employment in the local municipality. The trade sector with a total of 25 400 (25.1%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 110 (0.1%) is the sector that employs the least number of people in King Sabata Dalindyebo Local Municipality, followed by the electricity sector with 323 (0.3%) people employed.

CHART 19. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016 [PERCENTAGE]



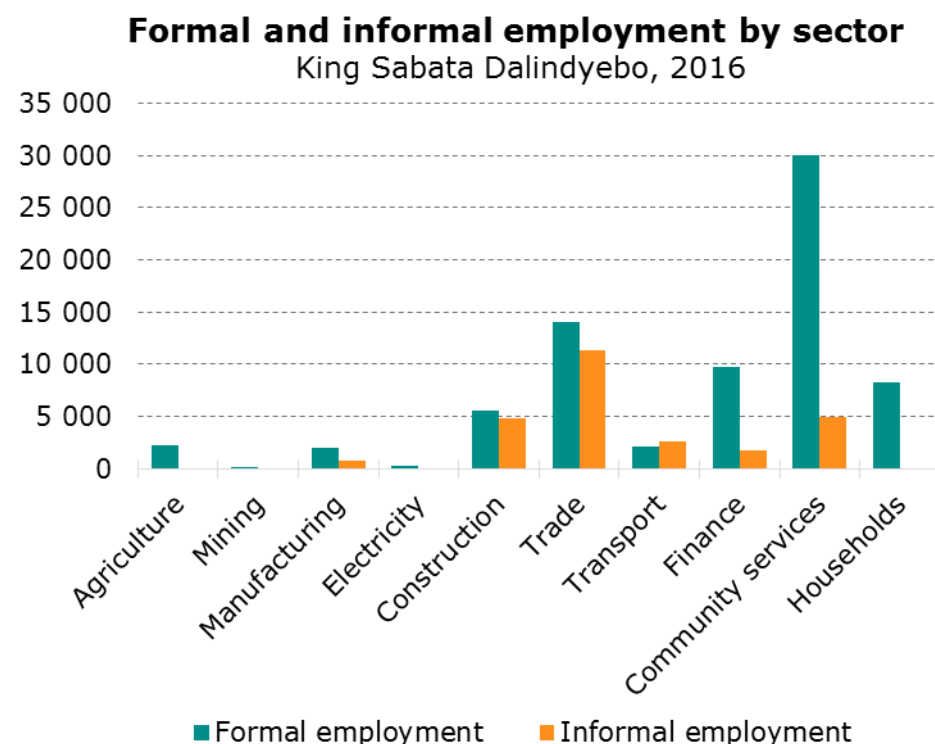
Source: IHS Markit Regional eXplorer version 1156

1.2.11.9 Formal and Informal employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established. Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in King Sabata Dalindyebo Local Municipality counted 74 600 in 2016, which is about 73.85% of total employment, while the number of people employed in the informal sector counted 26 400 or 26.15% of the total employment. Informal employment in King Sabata Dalindyebo increased from 22 900 in 2006 to an estimated 26 400 in 2016.

CHART 20. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016 [NUMBERS]



Source: IHS Markit Regional eXplorer version 1181

Some of the economic sectors have little or no informal employment: Mining industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity sector is also well regulated, making it

difficult to get information on informal employment. Domestic Workers and employment in the Agriculture sector is typically counted under a separate heading.

In 2016 the Trade sector recorded the highest number of informally employed, with a total of 11 300 employees or 42.89% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 822 and only contributes 3.11% to total informal employment.

TABLE 22. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016 [NUMBERS]

	Formal employment	Informal employment
Agriculture	2,230	N/A
Mining	110	N/A
Manufacturing	2,040	822
Electricity	323	N/A
Construction	5,610	4,870
Trade	14,000	11,300
Transport	2,170	2,620
Finance	9,770	1,770
Community services	30,000	5,000
Households	8,250	N/A

Source: IHS Markit Regional eXplorer version 1181

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

1.2.11.10 Unemployment

Definition: The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the

Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

2016 [NUMBER PERCENTAGE]

Source: IHS Markit Regional eXplorer version 1181

In 2016, there were a total number of 38 900 people unemployed in King Sabata Dalindyebo, which is an increase of 8 770 from 30 200 in 2006. The total number of unemployed people within King Sabata Dalindyebo constitutes 37.43% of the total number of unemployed people in O.R.Tambo District Municipality. The King Sabata Dalindyebo Local Municipality experienced an average annual increase of 2.58% in the number of unemployed people, which is worse than that of the O.R.Tambo District Municipality which had an average annual increase in unemployment of 2.58%.

TABLE 23. UNEMPLOYMENT (OFFICIAL DEFINITION) - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
2006	30,200	80,700	512,000	4,510,000	37.4%	5.9%	0.67%
2007	29,800	78,600	503,000	4,460,000	37.9%	5.9%	0.67%
2008	29,200	77,100	488,000	4,350,000	37.9%	6.0%	0.67%
2009	29,100	76,400	483,000	4,370,000	38.0%	6.0%	0.67%
2010	28,900	75,600	480,000	4,490,000	38.2%	6.0%	0.64%
2011	29,100	76,100	485,000	4,570,000	38.2%	6.0%	0.64%
2012	31,200	81,600	508,000	4,690,000	38.2%	6.1%	0.66%
2013	33,700	89,000	542,000	4,850,000	37.9%	6.2%	0.69%
2014	35,600	94,700	569,000	5,060,000	37.6%	6.3%	0.70%
2015	36,800	98,100	585,000	5,290,000	37.5%	6.3%	0.70%
2016	38,900	104,000	614,000	5,630,000	37.4%	6.3%	0.69%
Average Annual growth							
2006-2016	2.58%	2.58%	1.84%	2.23%			

TABLE 24. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total
2006	28.6%	31.5%	27.8%	25.8%
2007	27.9%	30.4%	27.2%	24.8%
2008	27.3%	30.3%	26.6%	23.6%
2009	27.8%	31.3%	26.9%	23.8%
2010	28.6%	32.8%	27.7%	24.8%
2011	28.7%	33.5%	27.9%	24.9%
2012	30.2%	35.2%	28.7%	25.0%
2013	30.8%	36.1%	29.4%	25.1%
2014	30.3%	35.7%	29.4%	25.1%
2015	29.8%	35.2%	29.2%	25.5%
2016	30.2%	35.7%	29.7%	26.4%

Source: IHS Markit Regional eXplorer version 1181

In 2016, the unemployment rate in King Sabata Dalindyebo Local Municipality (based on the official definition of unemployment) was 30.22%, which is an increase of 1.61 percentage points. The unemployment rate in King Sabata Dalindyebo Local Municipality is lower than that of O.R.Tambo. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for King Sabata Dalindyebo Local Municipality was higher than that of Eastern Cape which was 29.71%. The unemployment rate for South Africa was 26.40% in 2016, which is an increase of -0.639 percentage points from 25.77% in 2006.

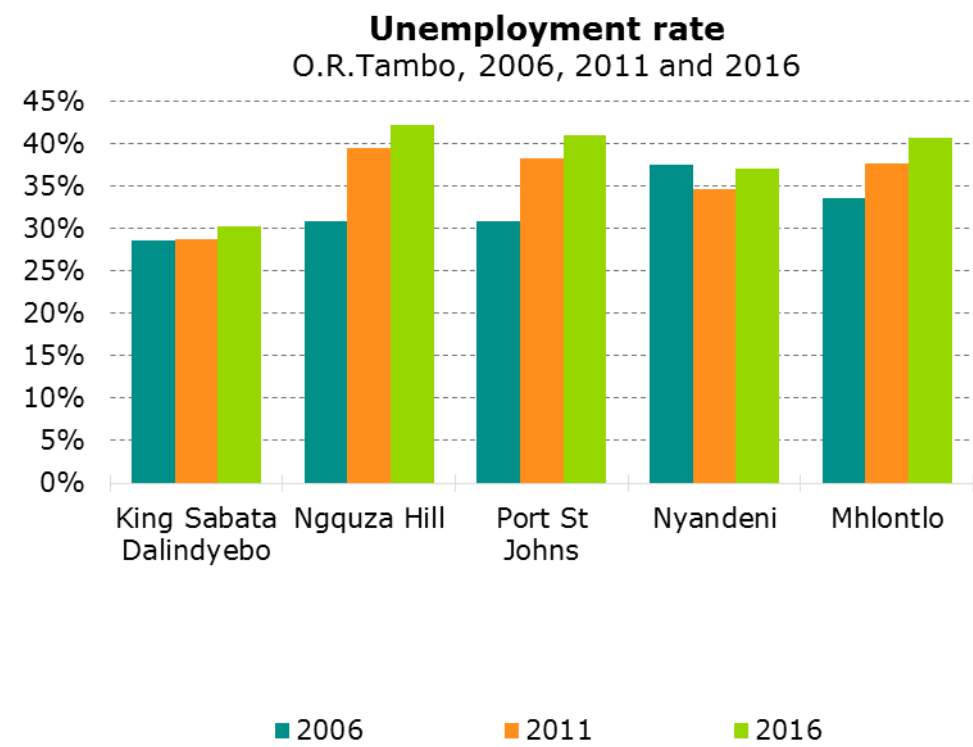
CHART 21. UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

When comparing unemployment rates among regions within O.R.Tambo District Municipality, Ngquza Hill Local Municipality has indicated the highest unemployment rate of 42.2%, which has increased from 30.9% in 2006. It can be seen that the King Sabata Dalindyebo Local Municipality had the lowest unemployment rate of 30.2% in 2016, this increased from 28.6% in 2006.

CHART 22. UNEMPLOYMENT RATE - KING SABATA DALINDYEBO, NGQUZA HILL, PORT ST JOHNS, NYANDENI AND MHLONTLO, 2006, 2011 AND 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

1.2.11.11 Income and Expenditure

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

1.2.11.12 Number of Households by Income category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2, 400 per annum and go up to R2, 400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

TABLE 25. HOUSEHOLDS BY INCOME CATEGORY - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBER PERCENTAGE]

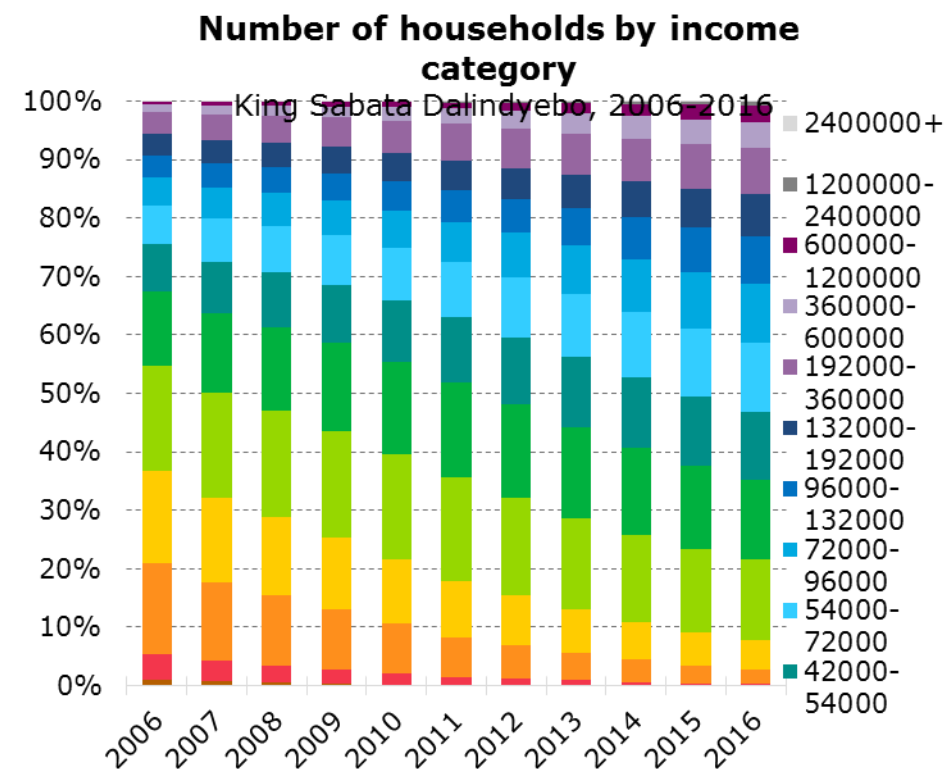
	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
0-2400	18	51	224	1,930	34.4%	7.9%	0.91%
2400-6000	297	862	4,140	34,800	34.4%	7.2%	0.85%
6000-12000	2,950	8,640	41,200	330,000	34.2%	7.2%	0.89%
12000-18000	5,810	16,700	82,100	660,000	34.8%	7.1%	0.88%
18000-30000	16,200	48,600	232,000	1,780,000	33.3%	7.0%	0.91%
30000-42000	15,900	48,100	236,000	1,770,000	33.0%	6.7%	0.90%
42000-54000	13,500	40,900	204,000	1,530,000	33.0%	6.6%	0.88%
54000-72000	13,800	41,000	213,000	1,610,000	33.6%	6.5%	0.85%
72000-96000	11,600	33,400	182,000	1,480,000	34.8%	6.4%	0.79%
96000-132000	9,530	25,600	151,000	1,370,000	37.3%	6.3%	0.70%
132000-192000	8,500	20,800	132,000	1,320,000	40.9%	6.4%	0.64%
192000-360000	9,230	19,800	150,000	1,710,000	46.6%	6.1%	0.54%
360000-600000	5,180	9,870	87,600	1,110,000	52.5%	5.9%	0.47%
600000-1200000	3,250	5,900	58,600	797,000	55.1%	5.5%	0.41%

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
000							
1200000-2400000	743	1,290	15,400	229,000	57.7%	4.8%	0.32%
2400000+	92	139	2,110	36,600	66.3%	4.4%	0.25%
Total	117,000	322,000	1,790,000	15,800,000	36.2%	6.5%	0.74%

Source: IHS Markit Regional eXplorer version 1181

It was estimated that in 2016 21.66% of all the households in the King Sabata Dalindyebo Local Municipality, were living on R30, 000 or less per annum. In comparison with 2006's 54.65%, the number is about half. The 18000-30000 income category has the highest number of households with a total number of 16 200, followed by the 30000-42000 income category with 15 900 households. Only 18 households fall within the 0-2400 income category.

CHART 23. HOUSEHOLDS BY INCOME BRACKET - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version

For the period 2006 to 2016 the number of households earning more than R30, 000 per annum has increased from 45.35% to 78.34%. It can be seen that the number of households with income equal to or lower than R6, 000 per year has decreased by a significant amount.

1.2.11.13 Annual total Personal Income

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

Definition: Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been taken into account.

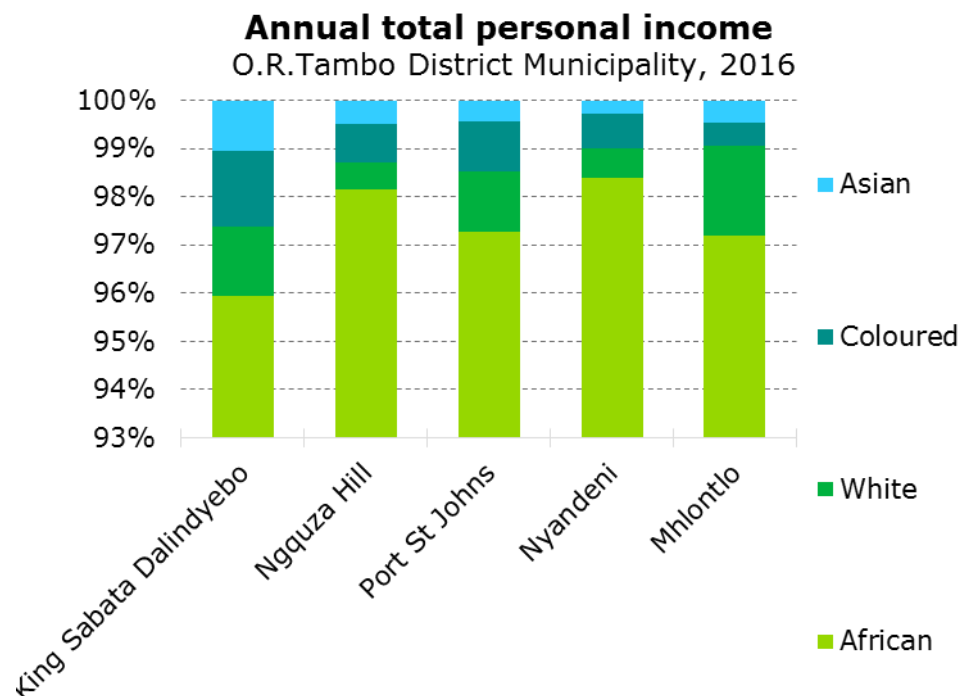
TABLE 26. ANNUAL TOTAL PERSONAL INCOME - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL[CURRENT PRICES, R BILLIONS]

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total
2006	5.6	13.0	106.6	1,259.4
2007	6.4	14.8	121.0	1,432.2
2008	7.1	16.5	134.0	1,587.9
2009	7.8	17.9	143.3	1,695.1
2010	8.5	19.3	154.3	1,843.3
2011	9.3	21.1	168.2	2,033.0
2012	10.4	23.5	187.5	2,226.5
2013	11.5	25.8	204.4	2,414.5
2014	12.7	28.3	219.7	2,596.7
2015	14.0	31.3	238.4	2,783.4
2016	15.4	34.6	259.8	3,002.3
Average Annual growth				
2006-2016	10.72%	10.31%	9.32%	9.08%

Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo Local Municipality recorded an average annual growth rate of 10.72% (from R 5.56 billion to R 15.4 billion) from 2006 to 2016, which is more than both O.R.Tambo's (10.31%) as well as Eastern Cape Province's (9.32%) average annual growth rates. South Africa had an average annual growth rate of 9.08% (from R 1.26 trillion to R 3 trillion) which is less than the growth rate in King Sabata Dalindyebo Local Municipality.

TABLE 27. ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO [CURRENT PRICES, R BILLIONS]



Source: IHS Markit Regional eXplorer version 1181

The total personal income of King Sabata Dalindyebo Local Municipality amounted to approximately R 15.4 billion in 2016. The African population group earned R 14.8 billion, or 95.93% of total personal income, while the White population group earned R 221 million, or 1.59% of the total personal income. The White and the Asian population groups only had a share of 1.44% and 1.04% of total personal income respectively.

TABLE 28. ANNUAL TOTAL PERSONAL INCOME - KING SABATA DALINDYEBO, NGQUZA HILL, PORT ST JOHNS, NYANDENI AND MHLONTLO[CURRENT PRICES, R BILLIONS]

	King Sabata Dalindyebo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo
2006	5.56	2.19	1.14	2.27	1.82
2007	6.37	2.50	1.29	2.58	2.03
2008	7.14	2.82	1.43	2.89	2.24
2009	7.78	3.08	1.54	3.14	2.38
2010	8.47	3.33	1.64	3.37	2.52
2011	9.34	3.64	1.77	3.67	2.70
2012	10.45	4.07	1.94	4.04	2.97
2013	11.52	4.47	2.12	4.43	3.24
2014	12.69	4.89	2.31	4.86	3.52
2015	13.98	5.42	2.56	5.39	3.90
2016	15.40	6.04	2.85	6.01	4.33
Average Annual growth					
2006-2016	10.72%	10.69%	9.58%	10.23%	9.03%

Source: IHS Markit Regional eXplorer version 1181

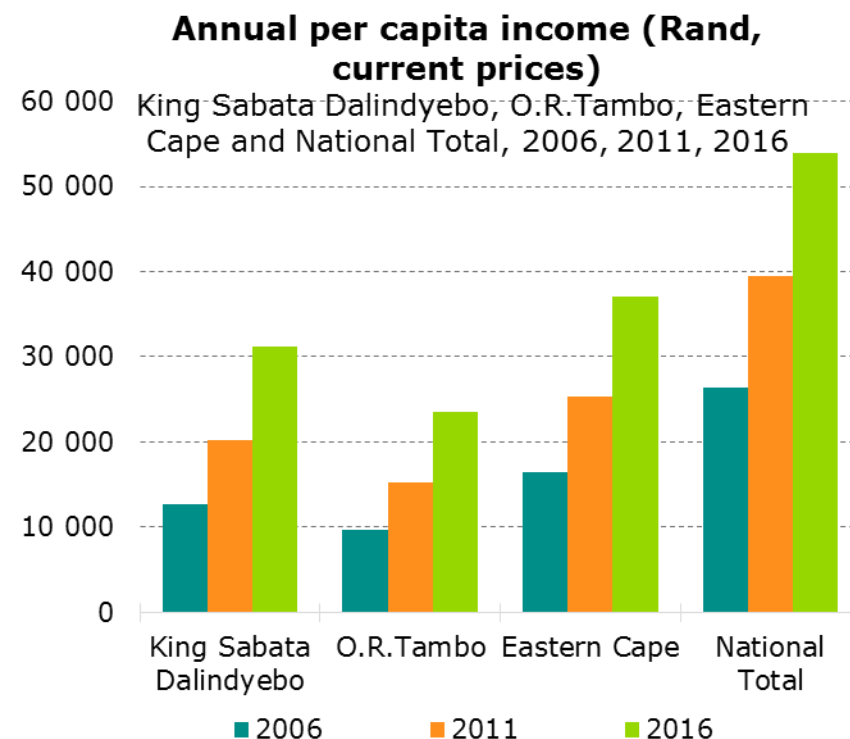
When looking at the annual total personal income for the regions within O.R.Tambo District Municipality it can be seen that the King Sabata Dalindyebo Local Municipality had the highest total personal income with R 15.4 billion which increased from R 5.56 billion recorded in 2006. It can be seen that the Port St Johns Local Municipality had the lowest total personal income of R 2.85 billion in 2016, this increased from R 1.14 billion in 2006.

1.2.11.14 Annual per Capita Income

Definition: Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population.

Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

CHART 24. PER CAPITA INCOME - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016 [RAND, CURRENT PRICES]



Source: IHS Markit Regional eXplorer version

Although the per capita income in King Sabata Dalindyebo Local Municipality is R 31,200 and is lower than the Eastern Cape (R 37,100), it is more than that of the O.R.Tambo District Municipality (R 23,500). The per capita income for King Sabata Dalindyebo Local Municipality (R 31,200) is lower than that of the South Africa as a whole which is R 53,900.

CHART 25. PER CAPITA INCOME BY POPULATION GROUP - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO DISTRICT MUNICIPALITY, 2016 [RAND, CURRENT PRICES]

	African	White	Coloured	Asian
King Sabata Dalindyebo	30,300	181,000	63,600	91,600
Ngquza Hill	19,600	N/A	46,200	N/A
Port St Johns	16,600	N/A	N/A	N/A
Nyandeni	19,000	N/A	N/A	N/A
Mhlontlo	21,900	N/A	N/A	N/A

Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo Local Municipality has the highest per capita income with a total of R 31,200. Mhlontlo Local Municipality had the second highest per capita income at R 22,400, whereas Port St Johns Local Municipality had the lowest per capita income at R 17,000. In King Sabata Dalindyebo Local Municipality, the White population group has the highest per capita income, with R 181,000, relative to the other population groups. The population group with the second highest per capita income within King Sabata Dalindyebo Local Municipality is the Asian population group (R 91,600), where the Coloured and the African population groups had a per capita income of R 63,600 and R 30,300 respectively.

1.2.11.15 Index of Buying Power

Definition: The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

TABLE 29. INDEX OF BUYING POWER - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBER]

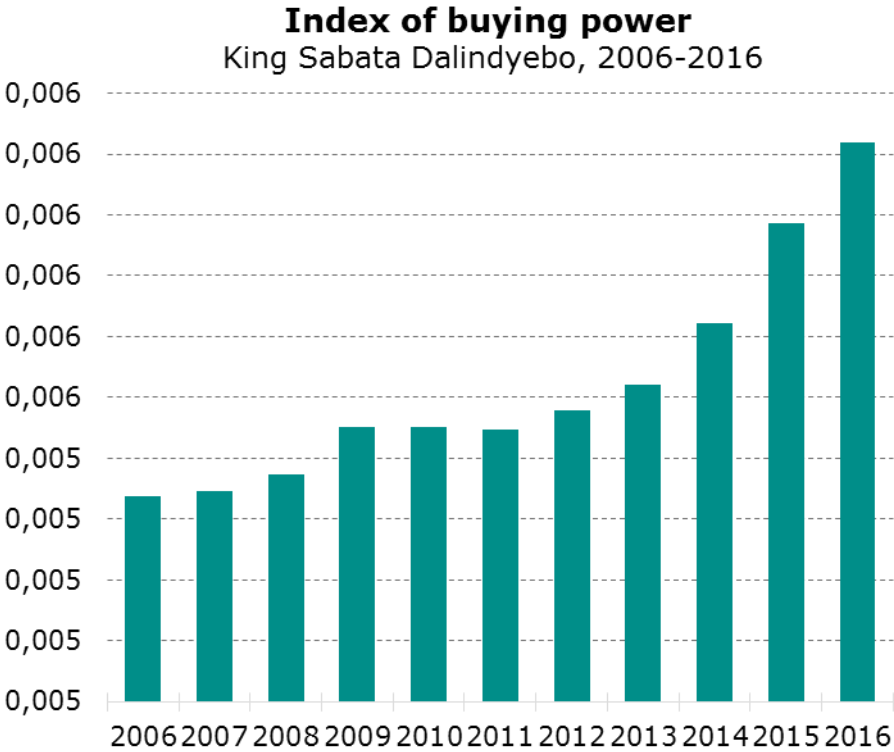
	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total
Population	493,873	1,472,366	7,006,876	55,724,934
Population - share of national total	0.9%	2.6%	12.6%	100.0%
Income	15,396	34,618	259,825	3,002,317
Income - share of national total	0.5%	1.2%	8.7%	100.0%
Retail	6,125,883	12,176,977	80,767,661	939,250,000
Retail - share of national total	0.7%	1.3%	8.6%	100.0%
Index	0.01	0.01	0.09	1.00

Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo Local Municipality has a 0.9% share of the national population, 0.5% share of the total national income and a 0.7% share in the total national retail, this all equates to an IBP index value of 0.0059 relative to South Africa as a whole. O.R.Tambo has an IBP of 0.013, were Eastern Cape Province has and IBP index value of 0.09 and South Africa a value of 1 relative to South Africa as a whole. .

The considerable low index of buying power of the King Sabata Dalindyebo Local Municipality suggests that the local municipality has access to only a small percentage of the goods and services available in all of the O.R.Tambo District Municipality. Its residents are most likely spending some of their income in neighbouring areas.

CHART 26. INDEX OF BUYING POWER KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version

Between 2006 and 2016, the index of buying power within King Sabata Dalindyebo Local Municipality increased to its highest level in 2016 (0.00592) from its lowest in 2006 (0.005337).It can be seen that the IBP experienced a positive average annual growth between 2006 and 2016. Although the buying power within King Sabata Dalindyebo Local Municipality is relatively small compared to other regions, the IBP increased at an average annual growth rate of 1.04%.

1.2.11.16 Development

Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

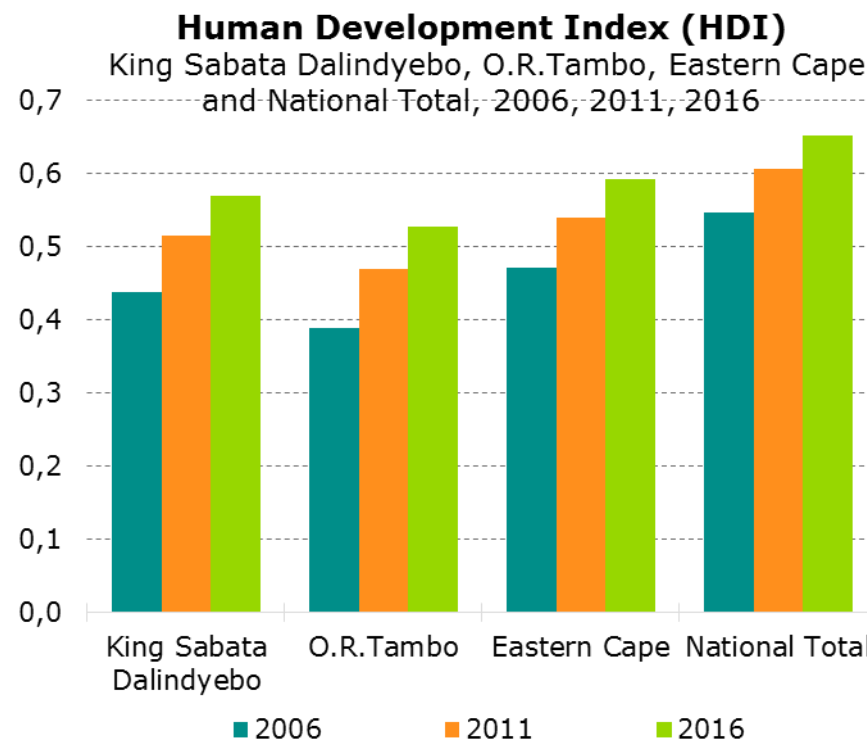
Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

1.2.11.17 Human Development Index (HDI)

Definition: The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions.

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

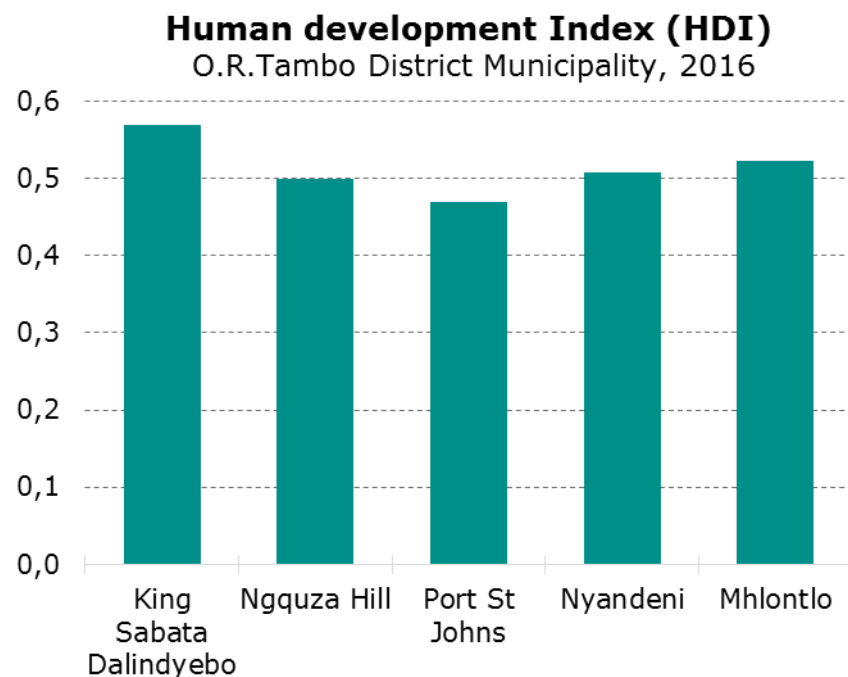
CHART 27. HUMAN DEVELOPMENT INDEX (HDI) - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006, 2011, 2016 [NUMBER]



Source: IHS Markit Regional eXplorer version 1181

In 2016 King Sabata Dalindyebo Local Municipality had an HDI of 0.569 compared to the O.R.Tambo with a HDI of 0.528, 0.593 of Eastern Cape and 0.651 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2016 when compared to King Sabata Dalindyebo Local Municipality which translates to worse human development for King Sabata Dalindyebo Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.76% and this increase is lower than that of King Sabata Dalindyebo Local Municipality (2.64%).

CHART 28. HUMAN DEVELOPMENT INDEX (HDI) - KING SABATA DALINDYEBO, NGQUZA HILL, PORT ST JOHNS, NYANDENI AND MHLONTLO, 2016 [NUMBER]



Source: IHS Markit Regional eXplorer version

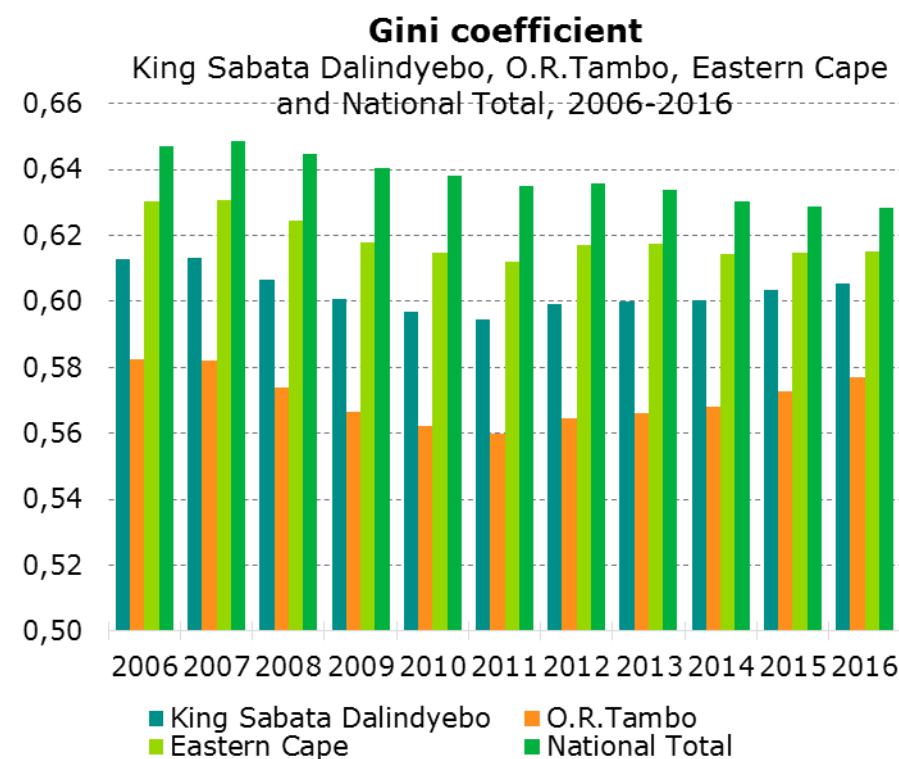
In terms of the HDI for each the regions within the O.R.Tambo District Municipality, King Sabata Dalindyebo Local Municipality has the highest HDI, with an index value of 0.569. The lowest can be observed in the Port St Johns Local Municipality with an index value of 0.47.

1.2.11.18 Gini Coefficient

Definition: The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

CHART 29. GINI COEFFICIENT - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER]



Source: IHS Markit Regional eXplorer version 1181

In 2016, the Gini coefficient in King Sabata Dalindyebo Local Municipality was at 0.605, which reflects a marginal decrease in the number over the ten-year period from 2006 to 2016. The O.R.Tambo District Municipality and the Eastern Cape Province had a Gini coefficient of 0.577

and 0.615 respectively. When King Sabata Dalindyebo Local Municipality is contrasted against the entire South Africa, it can be seen that King Sabata Dalindyebo has a more equal income distribution with a lower Gini coefficient compared to the South African coefficient of 0.628 in 2016. This has been the case for the entire 10 year history.

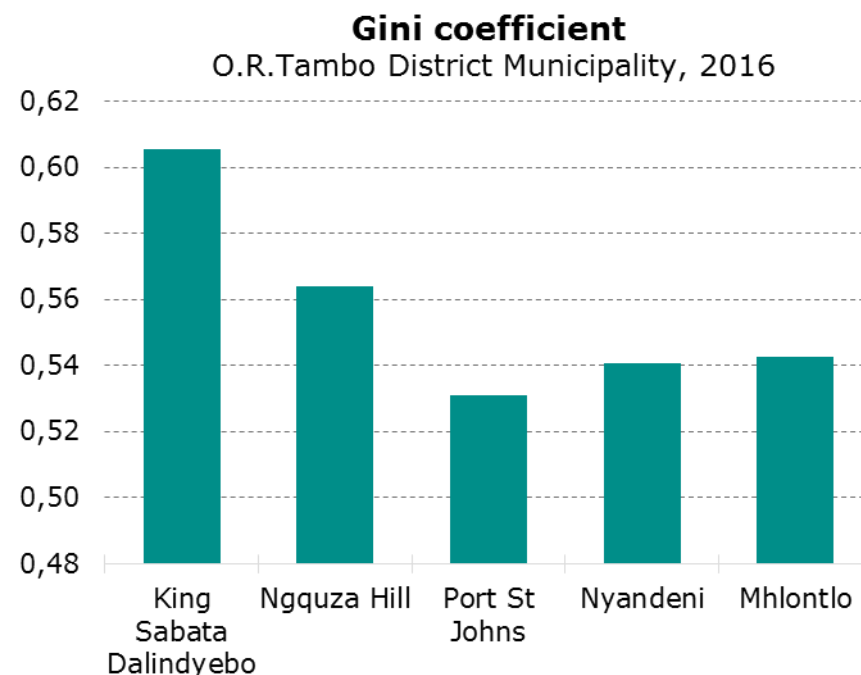
TABLE 30. GINI COEFFICIENT BY POPULATION GROUP - KING SABATA DALINDYEBO, 2006, 2016 [NUMBER]

	African	Coloured
2006	0.61	0.54
2016	0.60	0.54
Average Annual growth		
2006-2016	-0.05%	0.02%

Source: IHS Markit Regional eXplorer version 1181

When segmenting the King Sabata Dalindyebo Local Municipality into population groups, it can be seen that the Gini coefficient for the Coloured population group increased the most amongst the population groups with an average annual growth rate of 0.02%. The Gini coefficient for the African population group decreased the most with an average annual growth rate of -0.05%.

CHART 30. GINI COEFFICIENT - KING SABATA DALINDYEBO, NGQUZA HILL, PORT ST JOHNS, NYANDENI AND MHLONTLO, 2016 [NUMBER]



Source: IHS Markit Regional eXplorer version

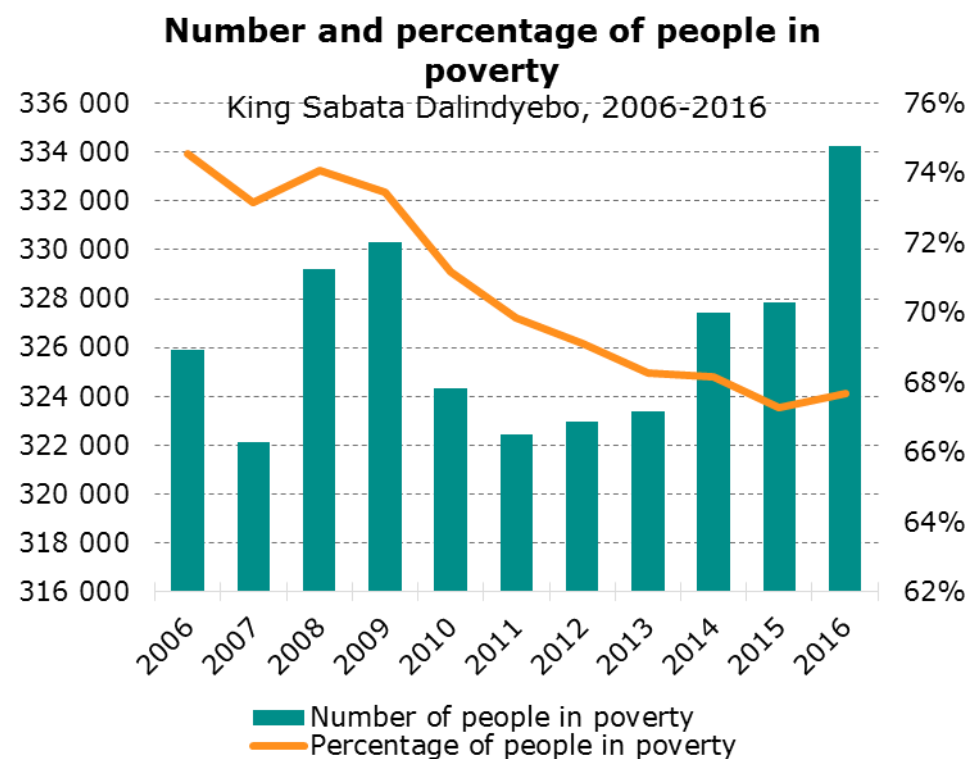
In terms of the Gini coefficient for each of the regions within the O.R.Tambo District Municipality, King Sabata Dalindyebo Local Municipality has the highest Gini coefficient, with an index value of 0.605. The lowest Gini coefficient can be observed in the Port St Johns Local Municipality with an index value of 0.531.

1.2.11.19 Poverty

Definition: The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items

without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

CHART 31. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]



In 2016, there were 334 000 people living in poverty, using the upper poverty line definition, across King Sabata Dalindyebo Local Municipality - this is 2.56% higher than the 326 000 in

2006. The percentage of people living in poverty has decreased from 74.56% in 2006 to 67.68% in 2016, which indicates a decrease of 6.87 percentage points.

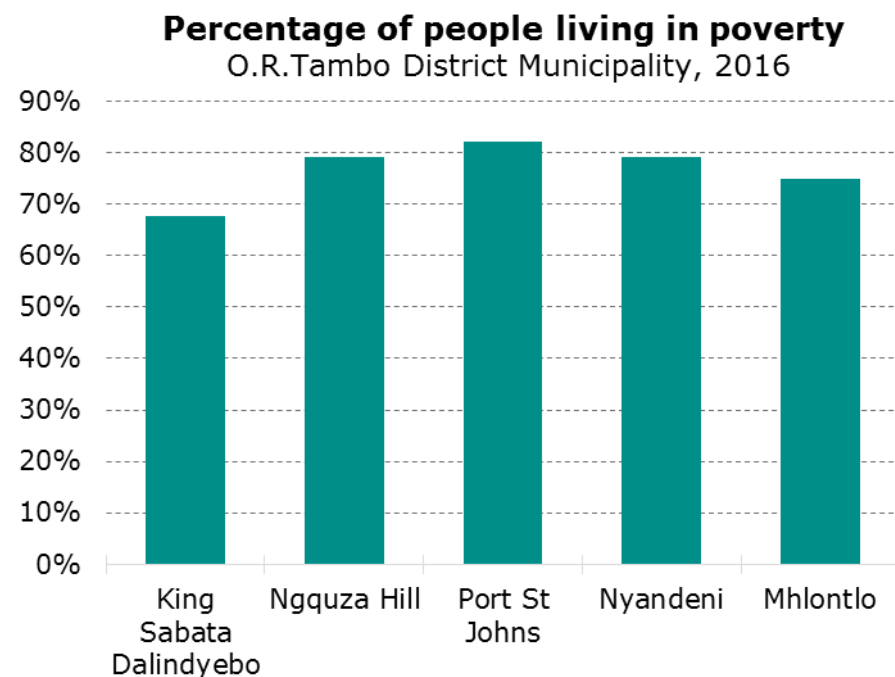
TABLE 31. PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - KING SABATA DALINDYEBO, 2006-2016 [PERCENTAGE]

	African	White	Coloured	Asian
2006	75.2%	0.4%	33.2%	3.1%
2007	73.8%	0.7%	31.2%	4.6%
2008	74.7%	1.4%	32.0%	8.3%
2009	74.1%	2.0%	30.8%	8.6%
2010	71.9%	2.0%	30.6%	7.0%
2011	70.5%	2.1%	30.9%	6.8%
2012	69.8%	2.2%	31.8%	7.9%
2013	68.9%	2.2%	32.2%	8.5%
2014	68.8%	2.3%	32.8%	9.9%
2015	67.9%	2.3%	32.6%	10.9%
2016	68.3%	2.7%	33.6%	11.5%

Source: IHS Markit Regional eXplorer version 1181

In 2016, the population group with the highest percentage of people living in poverty was the African population group with a total of 75.2% people living in poverty, using the upper poverty line definition. The proportion of the African population group, living in poverty, decreased by 6.88 percentage points, as can be seen by the change from 75.20% in 2006 to 68.32% in 2016. In 2016 2.70% of the White population group lived in poverty, as compared to the 0.38% in 2006. The Asian and the Coloured population group saw a decrease in the percentage of people living in poverty, with a decrease of -8.36 and -0.434 percentage points respectively.

TABLE 32. PERCENTAGE OF PEOPLE LIVING IN POVERTY - KING SABATA DALINDYEBO, NGQUZA HILL, PORT ST JOHNS, NYANDENI AND MHLONTLO, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

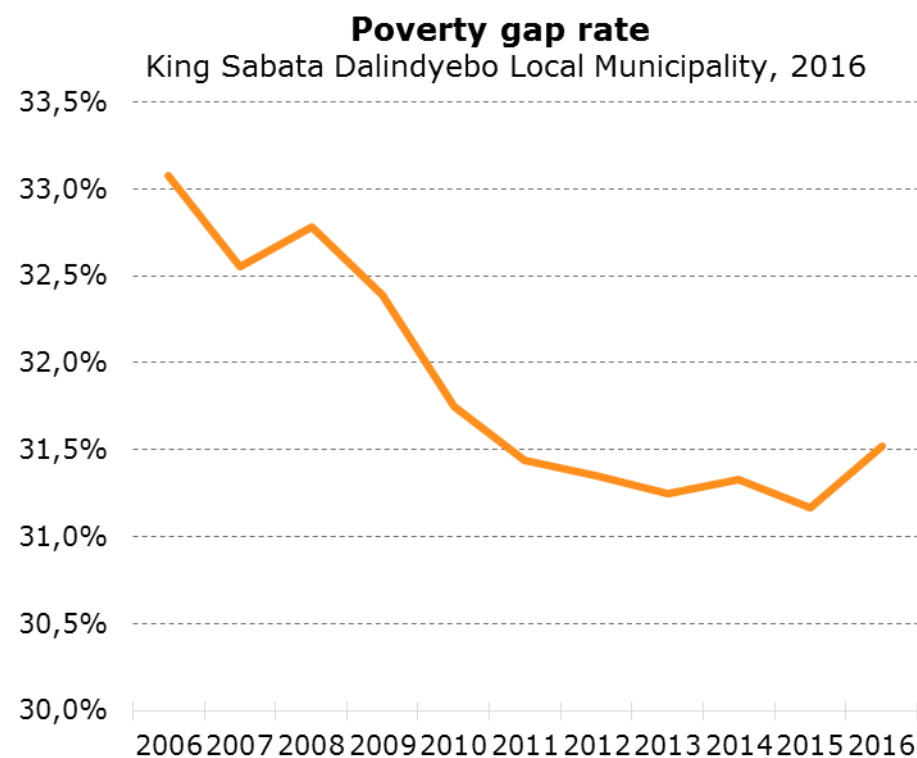
In terms of the percentage of people living in poverty for each of the regions within the O.R.Tambo District Municipality, Port St Johns Local Municipality has the highest percentage of people living in poverty, with a total of 82.2%. The lowest percentage of people living in poverty can be observed in the King Sabata Dalindyebo Local Municipality with a total of 67.7% living in poverty, using the upper poverty line definition.

1.2.11.20 Poverty Gap Rate

Definition: The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other.

It is estimated that the poverty gap rate in King Sabata Dalindyebo Local Municipality amounted to 31.5% in 2016 - the rate needed to bring all poor households up to the poverty line and out of poverty.

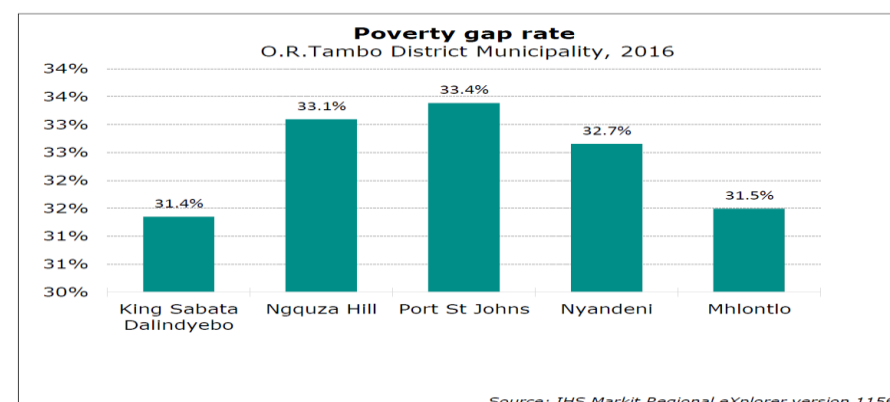
TABLE 33. POVERTY GAP RATE BY POPULATION GROUP - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version

In 2016, the poverty gap rate was 31.5% and in 2006 the poverty gap rate was 33.1%, it can be seen that the poverty gap rate decreased from 2006 to 2016, which means that there were improvements in terms of the depth of the poverty within King Sabata Dalindyebo Local Municipality.

TABLE 34. POVERTY GAP RATE - KING SABATA DALINDYEBO, NGQUZA HILL, PORT ST JOHNS, NYANDENI AND MHLONTLO, 2016 [PERCENTAGE]



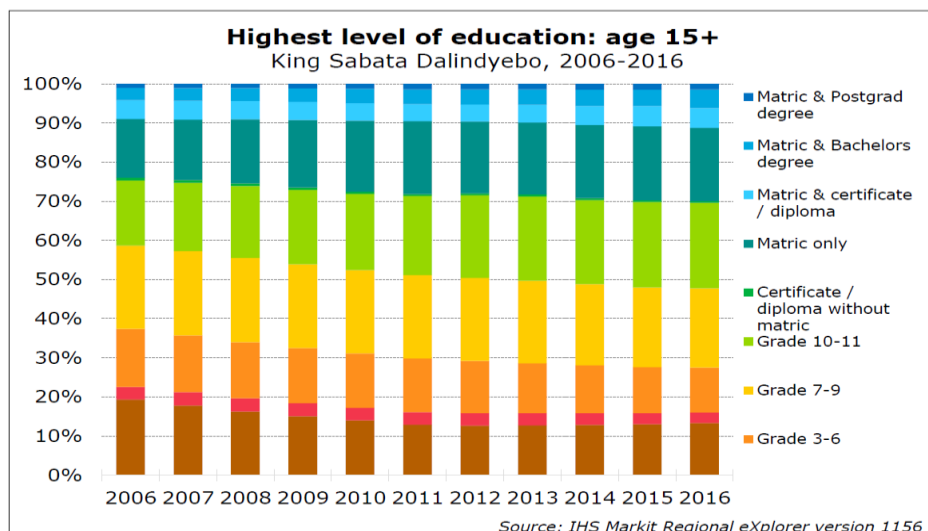
In terms of the poverty gap rate for each of the regions within the O.R.Tambo District Municipality, Port St Johns Local Municipality had the highest poverty gap rate, with a rate value of 33.4%. The lowest poverty gap rate can be observed in the King Sabata Dalindyebo Local Municipality with a total of 31.4%.

1.2.11.21 Education

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

CHART 32. HIGHEST LEVEL OF EDUCATION: AGE 15+ - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [PERCENTAGE]



Within King Sabata Dalindyebo Local Municipality, the number of people without any schooling decreased from 2006 to 2016 with an average annual rate of -1.24%, while the number of people within the 'matric only' category, increased from 31,900 to 51,900. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 2.93%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 7.42%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

TABLE 35. HIGHEST LEVEL OF EDUCATION: AGE 15+ - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBERS]

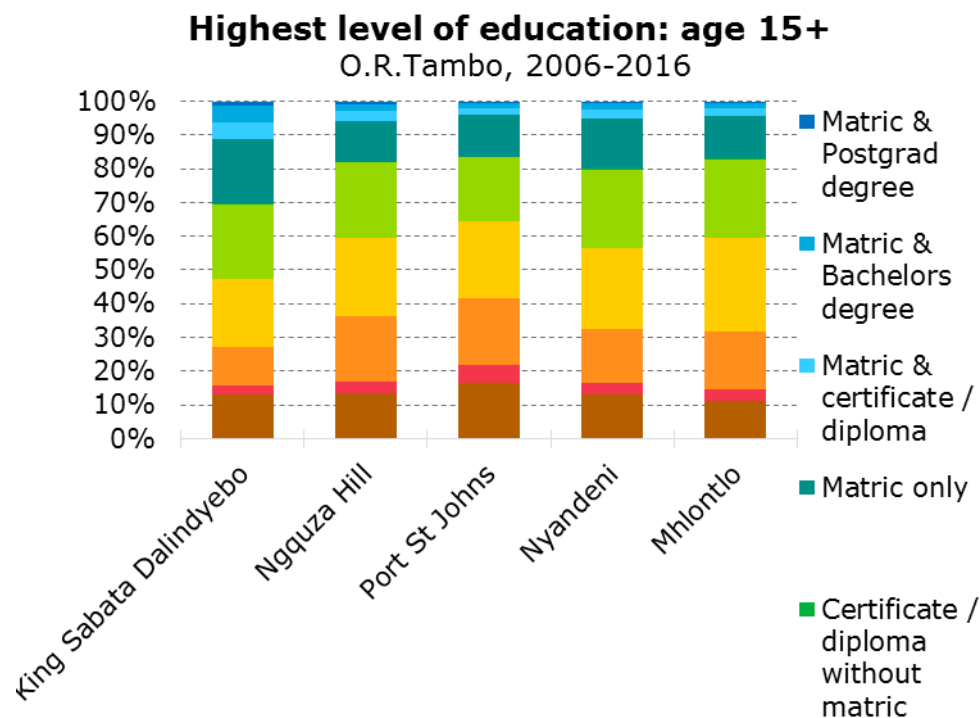
	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
No schooling	36,200	99,600	323,000	2,340,000	36.4%	11.2%	1.55%
Grade 0-2	7,430	25,800	122,000	702,000	28.7%	6.1%	1.06%
Grade 3-6	31,700	117,000	560,000	3,160,000	27.2%	5.7%	1.00%
Grade 7-9	56,200	172,000	934,000	6,020,000	32.6%	6.0%	0.93%
Grade 10-11	61,000	167,000	965,000	8,240,000	36.6%	6.3%	0.74%
Certificate / diploma without matric	1,210	2,430	14,800	183,000	49.6%	8.2%	0.66%
Matric only	51,900	115,000	840,000	10,000,000	45.3%	6.2%	0.52%
Matric certificate / diploma	13,700	26,300	179,000	1,910,000	52.1%	7.7%	0.72%

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total	King Sabata Dalindyebo as % of district municipality	King Sabata Dalindyebo as % of province	King Sabata Dalindyebo as % of national
Matric Bachelors degree	13,700	22,000	144,000	1,660,000	62.2%	9.5%	0.82%
Matric Postgraduate degree	4,090	7,100	50,500	697,000	57.6%	8.1%	0.59%

Source: IHS Markit Regional eXplorer version 1181

The number of people without any schooling in King Sabata Dalindyebo Local Municipality accounts for 36.38% of the number of people without schooling in the district municipality, 11.23% of the province and 1.55% of the national. In 2016, the number of people in King Sabata Dalindyebo Local Municipality with a matric only was 51,900 which is a share of 45.29% of the district municipality's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 62.21% of the district municipality, 9.51% of the province and 0.82% of the national.

TABLE 36. HIGHEST LEVEL OF EDUCATION: AGE 15+, KING SABATA DALINDYEBO, NGQUZA HILL, PORT ST JOHNS, NYANDENI AND MHLONTLO 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

1.2.11.22 Functional literacy

Definition: For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

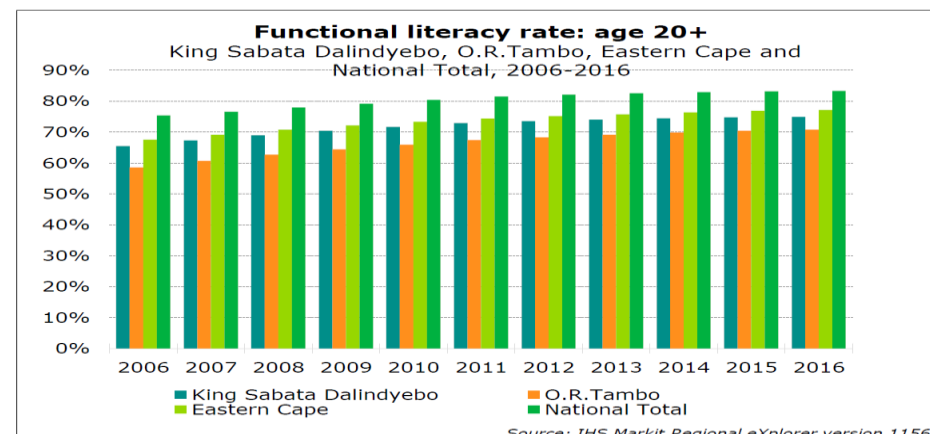
TABLE 37. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]

	Illiterate	Literate	%
2006	94,830	179,890	65.5%
2007	91,897	189,122	67.3%
2008	89,229	198,366	69.0%
2009	87,030	207,455	70.4%
2010	85,173	215,656	71.7%
2011	82,908	223,344	72.9%
2012	82,277	228,498	73.5%
2013	82,053	233,671	74.0%
2014	82,009	238,937	74.4%
2015	82,242	243,993	74.8%
2016	82,419	249,277	75.2%
Average Annual growth			
2006-2016	-1.39%	3.32%	1.39%

Source: IHS Markit Regional eXplorer version 1181

A total of 249 000 individuals in King Sabata Dalindyebo Local Municipality were considered functionally literate in 2016, while 82 400 people were considered to be illiterate. Expressed as a rate, this amounts to 75.15% of the population, which is an increase of 0.097 percentage points since 2006 (65.48%). The number of illiterate individuals decreased on average by - 1.39% annually from 2006 to 2016, with the number of functional literate people increasing at 3.32% annually.

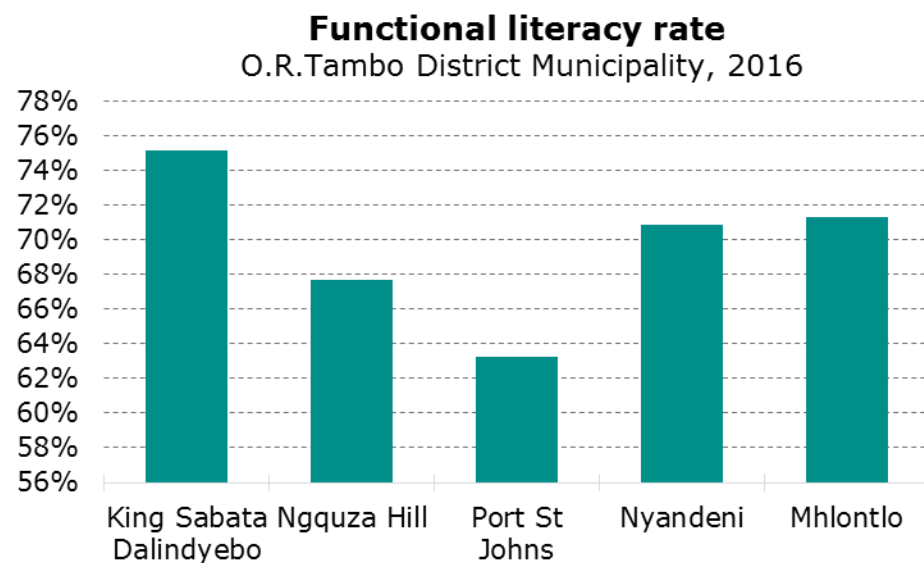
CHART 33. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]



King Sabata Dalindyebo Local Municipality's functional literacy rate of 75.15% in 2016 is higher than that of O.R.Tambo at 71.03%, and is higher than the province rate of 77.34%. When comparing to National Total as whole, which has a functional literacy rate of 83.47%, it can be seen that the functional literacy rate is higher than that of the King Sabata Dalindyebo Local Municipality.

A higher literacy rate is often associated with higher levels of urbanization, for instance where access to schools is less of a problem, and where there are economies of scale. From a spatial breakdown of the literacy rates in South Africa, it is perceived that the districts with larger cities normally have higher literacy rates.

CHART 34. LITERACY RATE - KING SABATA DALINDYEBO, NGQUZA HILL, PORT ST JOHNS, NYANDENI AND MHLONTLO, 2016 [PERCENTAGE]



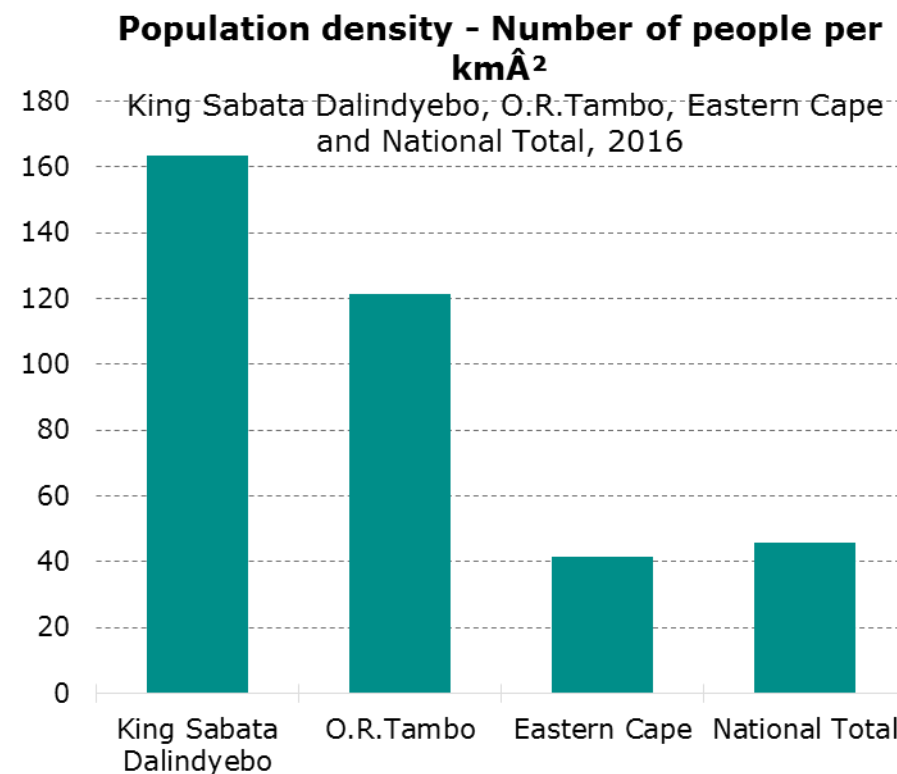
Source: IHS Markit Regional eXplorer version 1181

In terms of the literacy rate for each of the regions within the O.R.Tambo District Municipality, King Sabata Dalindyebo Local Municipality had the highest literacy rate, with a total of 75.2%. The lowest literacy rate can be observed in the Port St Johns Local Municipality with a total of 63.2%.

1.2.11.23 Population Density

Definition: Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

CHART 35. POPULATION DENSITY - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016 [NUMBER OF PEOPLE PER KM]



Source: IHS Markit Regional eXplorer version 1181

In 2016, with an average of 164 people per square kilometre, King Sabata Dalindyebo Local Municipality had a higher population density than O.R.Tambo (121 people per square

kilometre). Compared to Eastern Cape Province (41.5 per square kilometre) it can be seen that there are more people living per square kilometre in King Sabata Dalindyebo Local Municipality than in Eastern Cape Province.

CHART 36. POPULATION DENSITY - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO, 2006-2016 [NUMBER OF PEOPLE PER KM]

	King Sabata Dalindyebo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo
2006	144.80	107.50	116.58	115.50	69.91
2007	145.89	108.51	117.39	115.93	69.11
2008	147.24	109.83	118.61	116.51	68.32
2009	148.97	111.39	120.08	117.36	67.72
2010	150.90	113.00	121.52	118.43	67.33
2011	152.90	114.61	122.88	119.63	67.07
2012	154.82	116.10	124.08	120.78	66.84
2013	156.93	117.71	125.43	122.10	66.78
2014	159.13	119.39	126.87	123.52	66.84
2015	161.36	121.10	128.36	125.00	66.99
2016	163.59	122.80	129.89	126.52	67.22

Average Annual growth

2006-2016	1.23%	1.34%	1.09%	0.92%	-0.39%
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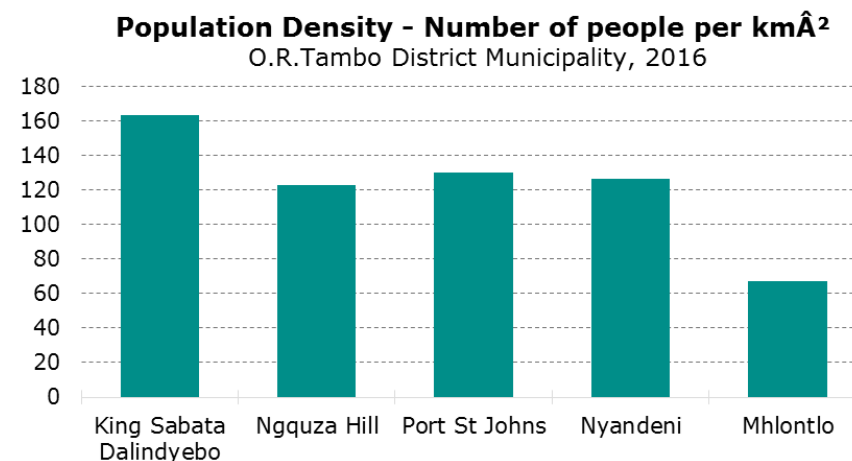
Source: IHS Markit Regional eXplorer version 1181

In 2016, King Sabata Dalindyebo Local Municipality had a population density of 164 per square kilometre and it ranked highest amongst its peers. In terms of growth, King Sabata Dalindyebo Local Municipality had an average annual growth in its population density of 1.23% per square kilometre per annum. The region with the highest growth rate in the population density per square kilometre was Ngquza Hill with an average annual growth rate of 1.34% per square kilometre. In 2016, the region with the lowest population density within O.R.Tambo District Municipality was Mhlontlo with 67.2 people per square kilometre, it was also the region with the lowest average annual growth rate of -0.39% people per square kilometre over the period under discussion.

Using population density instead of the total number of people creates a better basis for comparing different regions or economies. A higher population density influences the provision

of household infrastructure, quality of services, and access to resources like medical care, schools, sewage treatment, community centres, etc.

CHART 37. POPULATION DENSITY - KING SABATA DALINDYEBO, NGQUZA HILL, PORT ST JOHNS, NYANDENI AND MHLONTLO, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

In terms of the population density for each of the regions within the O.R.Tambo District Municipality, King Sabata Dalindyebo Local Municipality had the highest density, with 164 people per square kilometre. The lowest population density can be observed in the Mhlontlo Local Municipality with a total of 67.2 people per square kilometre.

1.2.11.24 . Crime

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

IHS Composite Crime Index

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

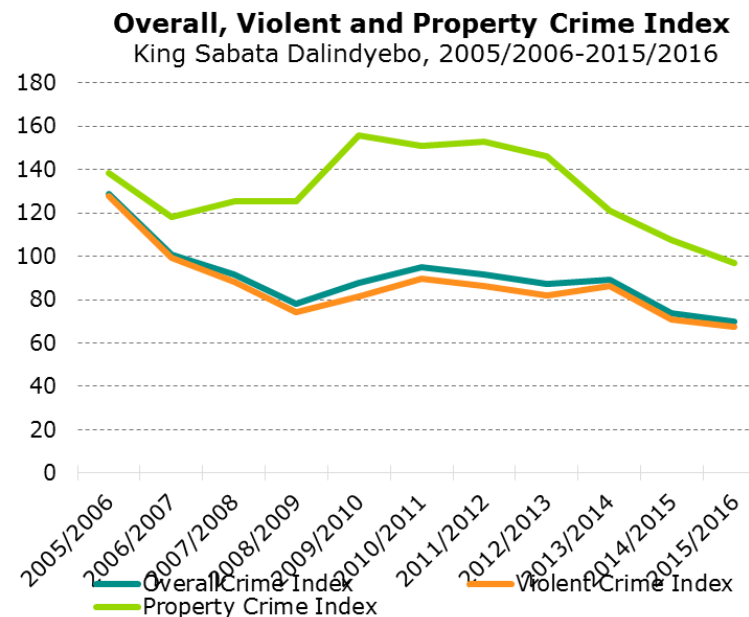
Overall crime index

Definition: The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time, or comparing the crime levels across regions.

CHART 38. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE)
- KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2005/2006-2015/2016
[INDEX VALUE]

For the period 2005/2006 to 2015/2016 overall crime has decrease at an average annual rate of 5.91% within the King Sabata Dalindyebo Local Municipality. Violent crime decreased by 6.18% since 2005/2006, while property crimes decreased by 3.50% between the 2005/2006 and 2015/2016 financial years.

TABLE 38. OVERALL CRIME INDEX - KING SABATA DALINDYEBO LOCAL MUNICIPALITY AND THE REST OF O.R.TAMBO, 2005/2006-2015/2016 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 1181

	King Sabata Dalindyebo	Ngquza Hill	Port St Johns	Nyandeni	Mhlontlo
2005/2006	128.84	59.17	87.65	70.03	83.89
2006/2007	100.89	49.21	70.39	55.84	65.79
2007/2008	91.50	44.68	63.32	56.91	66.60
2008/2009	78.30	41.74	59.20	51.49	63.48
2009/2010	87.80	45.86	56.00	51.60	62.30
2010/2011	94.96	44.81	52.82	60.79	61.81
2011/2012	91.66	41.98	51.94	54.94	61.59
2012/2013	87.18	43.88	51.42	50.94	61.49
2013/2014	89.02	48.02	58.31	56.58	62.63
2014/2015	73.72	40.55	50.80	48.26	62.87
2015/2016	70.05	35.43	47.32	50.07	61.77

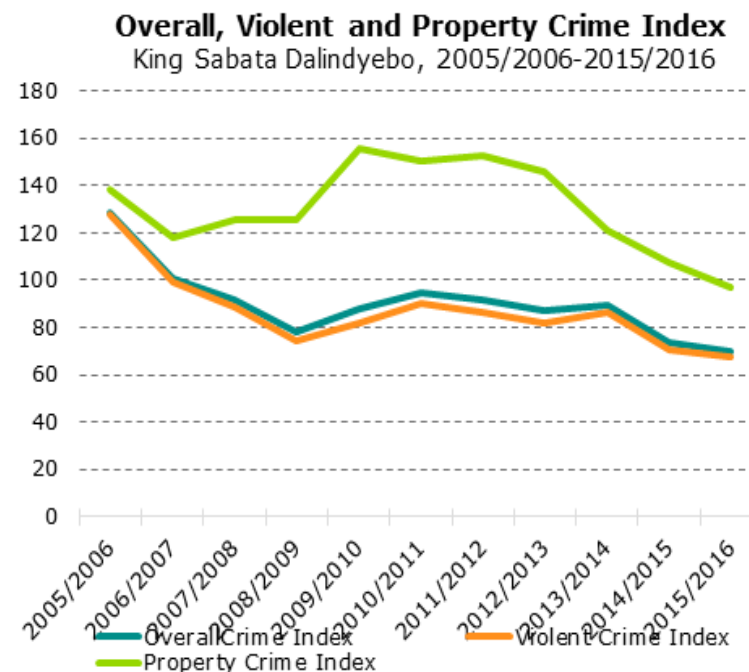
Average Annual growth

2005/2006-2015/2016	-5.91%	-5.00%	-5.98%	-3.30%	-3.01%
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Source: IHS Markit Regional eXplorer version 1181

In 2015/2016, the King Sabata Dalindyebo Local Municipality has the highest overall crime rate of the sub-regions within the overall O.R.Tambo District Municipality with an index value of 70. Mhlontlo Local Municipality has the second highest overall crime index at 61.8, with Nyandeni Local Municipality having the third highest overall crime index of 50.1. It is clear that all the crime is decreasing overtime for all the regions within O.R.Tambo District Municipality. Port St Johns Local Municipality has the second lowest overall crime index of 47.3 and the Ngquza Hill Local Municipality has the lowest overall crime rate of 35.4. It is clear that crime is decreasing overtime for all the regions within O.R.Tambo District Municipality. The region that decreased the most in overall crime since 2005/2006 was Port St Johns Local Municipality with an average annual decrease of 6.0% followed by King Sabata Dalindyebo Local Municipality with an average annual decrease of 5.9%.

CHART 39. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE)
- KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2015/2016 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 1181

From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

1.2.11.25 Household Infrastructure

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of four indicators:

- Access to dwelling units
- Access to proper sanitation
- Access to running water
- Access to refuse removal
- Access to electricity

A household is considered "served" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services.

A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

The next few sections offer an overview of the household infrastructure of the King Sabata Dalindyebo Local Municipality between 2016 and 2006.

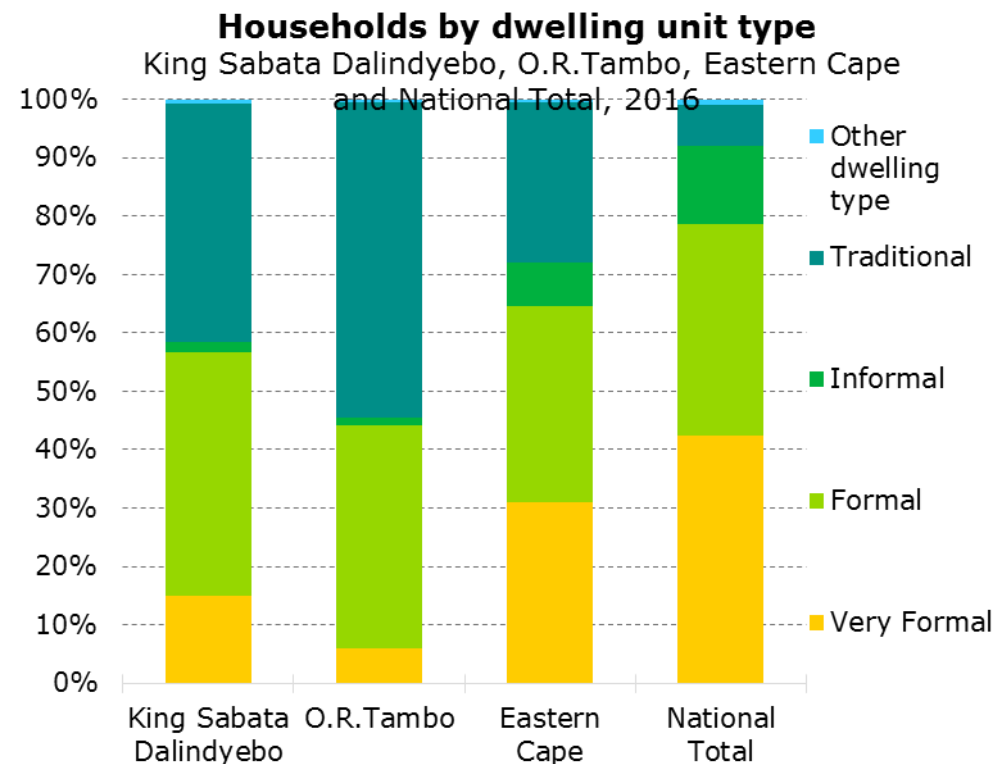
Household by Dwelling Type

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to type of dwelling. The categories are:

- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling. .
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc., but without running water or without a flush toilet within the dwelling.
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.

- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material.
- **Other dwelling units** - tents, ships, caravans, etc.

CHART 40. HOUSEHOLDS BY DWELLING UNIT TYPE - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo Local Municipality had a total number of 17 500 (14.98% of total households) very formal dwelling units, a total of 48 700 (41.73% of total households) formal dwelling units and a total number of 2 030 (1.74% of total households) informal dwelling units.

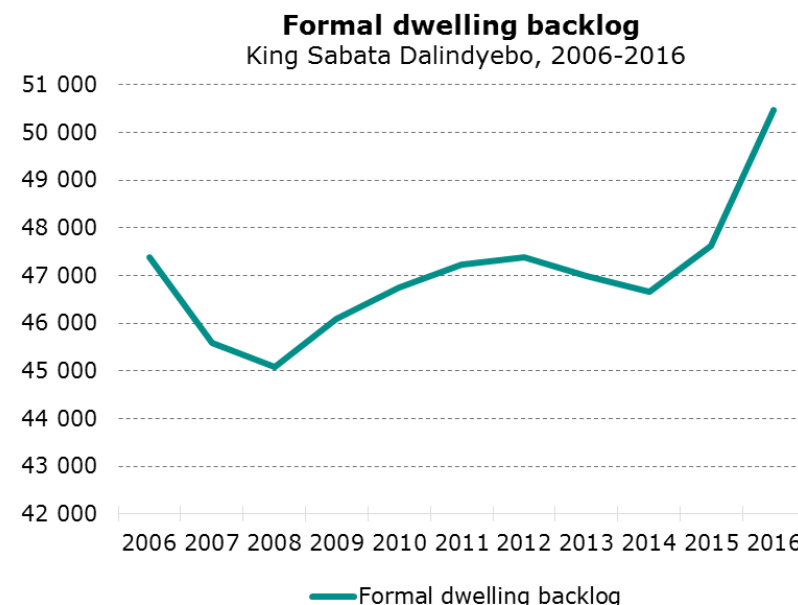
TABLE 39. HOUSEHOLDS BY DWELLING UNIT TYPE - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO, 2016 [NUMBER]

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
King Sabata Dalindyebo	17,500	48,700	2,030	47,700	774	117,000
Ngquza Hill	702	23,800	679	35,000	489	60,700
Port St Johns	481	9,930	281	22,800	61	33,600
Nyandeni	355	23,600	363	41,700	346	66,300
Mhlontlo	540	16,500	1,210	26,100	241	44,600
Total O.R.Tambo	19,549	122,482	4,568	173,223	1,911	321,733

Source: IHS Markit Regional eXplorer version 1181

The region within the O.R.Tambo District Municipality with the highest number of very formal dwelling units is King Sabata Dalindyebo Local Municipality with 17 500 or a share of 89.37% of the total very formal dwelling units within O.R.Tambo. The region with the lowest number of very formal dwelling units is Nyandeni Local Municipality with a total of 355 or a share of 1.82% of the total very formal dwelling units within O.R.Tambo.

CHART 41. FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS]



Source: IHS Markit Regional eXplorer version 1181

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2006 the number of households not living in a formal dwelling were 47 400 within King Sabata Dalindyebo Local Municipality. From 2006 this number increased annually at 0.63% to 50 500 in 2016.

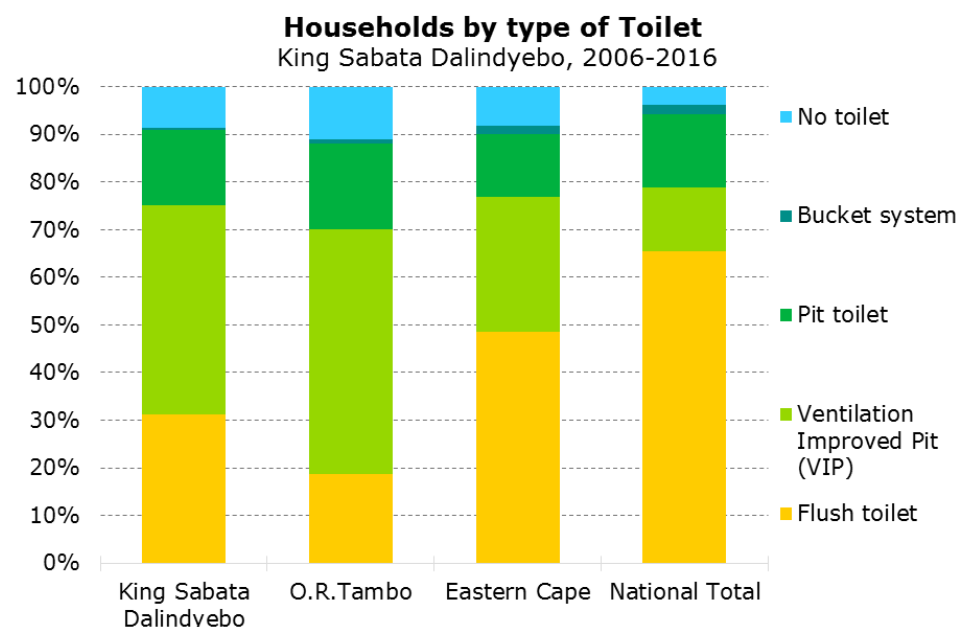
The total number of households within King Sabata Dalindyebo Local Municipality increased at an average annual rate of 2.10% from 2006 to 2016, which is higher than the annual increase of 1.97% in the number of households in South Africa. With high in-migration into a region, the number of households increased, putting additional strain on household infrastructure. In the short to medium term this can result in an increase in the number of households not living in a formal dwelling, as the provision of household infrastructure usually takes time to deliver.

Household by Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

- **No toilet** - No access to any of the toilet systems explained below.
- **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).
- **Pit toilet** - A top structure over a pit.
- **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.
- **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

CHART 42. HOUSEHOLDS BY TYPE OF SANITATION - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo Local Municipality had a total number of 36 400 flush toilets (31.19% of total households), 51 300 Ventilation Improved Pit (VIP) (44.00% of total households) and 18 200 (15.61%) of total households pit toilets.

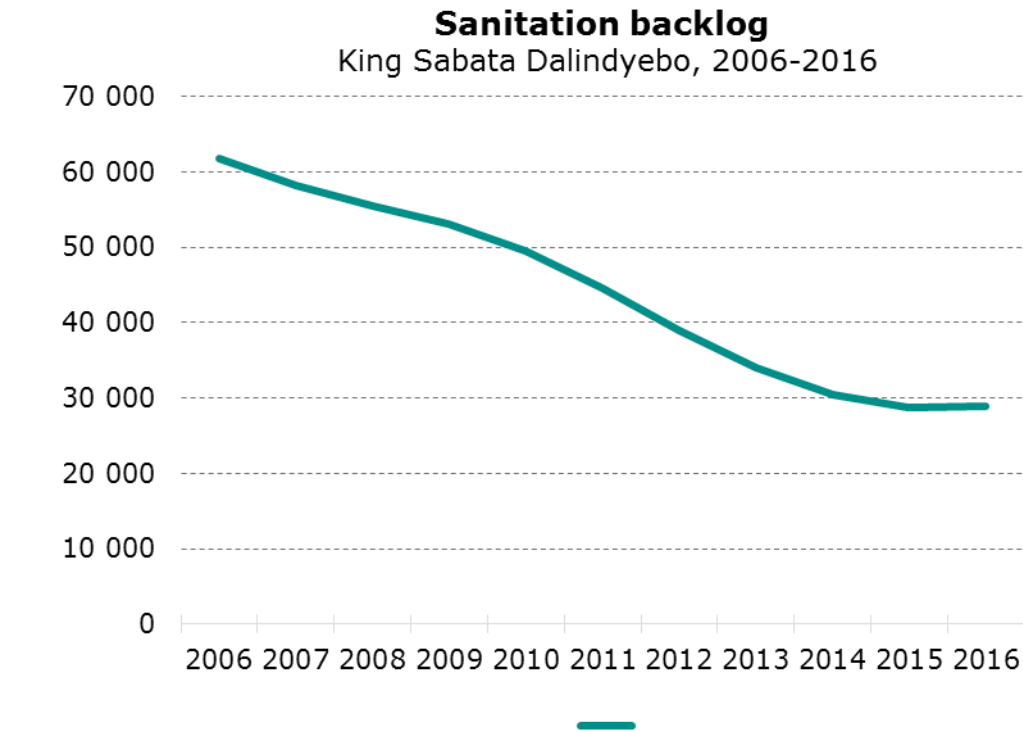
TABLE 40. HOUSEHOLDS BY TYPE OF SANITATION - KING SABATA DALINDYEBO LOCAL MUNICIPALITY AND THE REST OF O.R.TAMBO, 2016 [NUMBER]

	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
King Sabata Dalindyebo	36,400	51,300	18,200	759	9,960	117,000
Ngquza Hill	5,860	35,800	12,900	1,130	5,040	60,700
Port St Johns	7,700	12,200	6,320	572	6,740	33,600
Nyandeni	6,570	41,200	9,820	205	8,500	66,300
Mhlontlo	3,750	24,500	11,100	215	5,080	44,600
Total O.R.Tambo	60,246	164,996	58,288	2,884	35,321	321,733

Source: IHS Markit Regional eXplorer version 1181

The region within O.R.Tambo with the highest number of flush toilets is King Sabata Dalindyebo Local Municipality with 36 400 or a share of 60.37% of the flush toilets within O.R.Tambo. The region with the lowest number of flush toilets is Mhlontlo Local Municipality with a total of 3 750 or a share of 6.22% of the total flush toilets within O.R.Tambo District Municipality.

CHART 43. SANITATION BACKLOG - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]

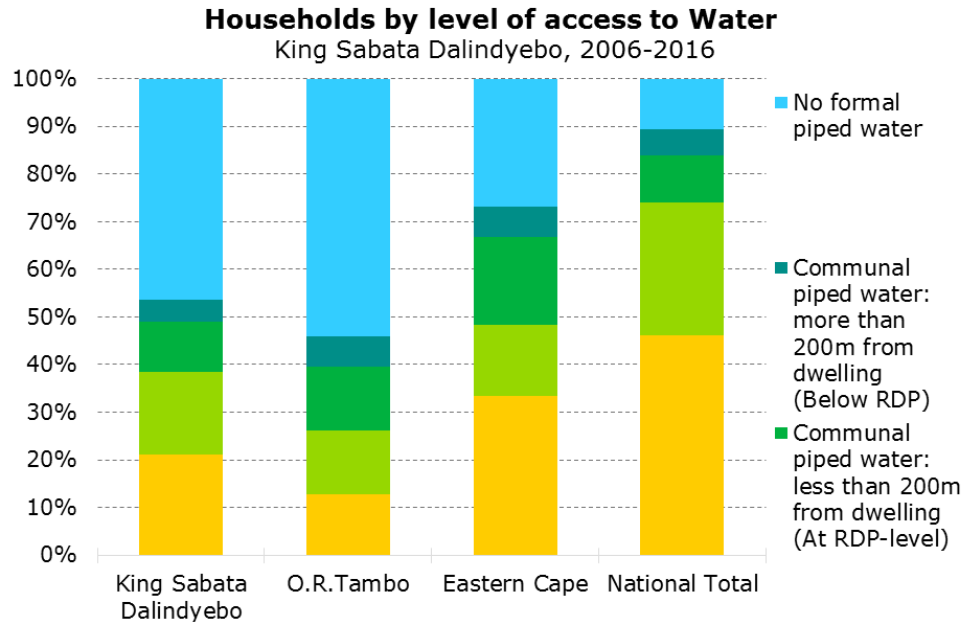


When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2006 the number of Households without any hygienic toilets in King Sabata Dalindyebo Local Municipality was 61 800, this decreased annually at a rate of -7.31% to 28 900 in 2016.

1.2.11.26 Households by Access to water

A household is categorised according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.

CHART 44. HOUSEHOLDS BY TYPE OF WATER ACCESS - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]



King Sabata Dalindyebo Local Municipality had a total number of 24 700 (or 21.17%) households with piped water inside the dwelling, a total of 20 100 (17.21%) households had piped water inside the yard and a total number of 54 200 (46.45%) households had no formal piped water.

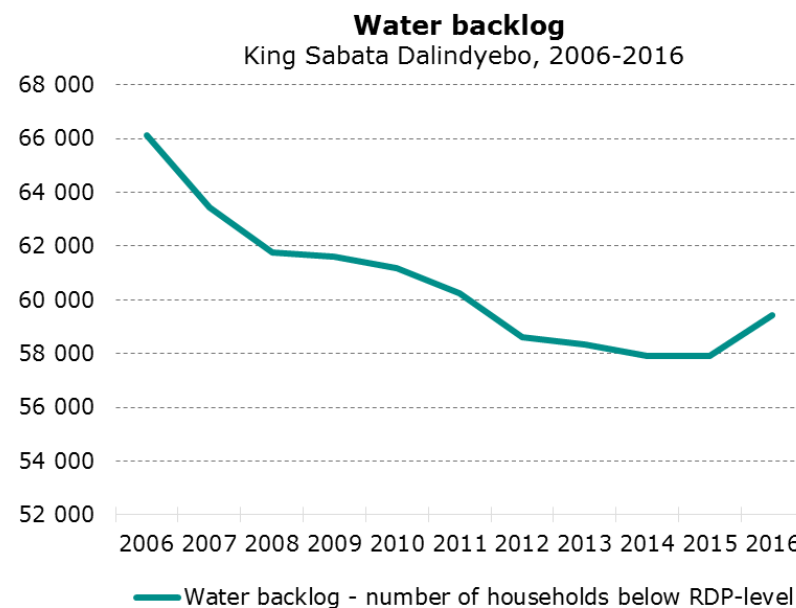
TABLE 41. HOUSEHOLDS BY TYPE OF WATER ACCESS - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO, 2016 [NUMBER]

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
King Sabata Dalindyebo	24,700	20,100	12,400	5,250	54,200	117,000
Ngquza Hill	3,330	6,050	4,890	4,640	41,800	60,700
Port St Johns	2,870	3,300	4,140	2,080	21,200	33,600
Nyandeni	7,680	7,600	12,300	5,280	33,500	66,300
Mhlontlo	2,870	6,070	9,140	3,330	23,200	44,600
Total O.R.Tambo	41,431	43,076	42,863	20,583	173,780	321,733

Source: IHS Markit Regional eXplorer version 1181

The region within the O.R.Tambo District Municipality with the highest number of households that have piped water inside the dwelling is the King Sabata Dalindyebo Local Municipality with 24 700 or 59.59% of the households. The region with the lowest number of households that have piped water inside the dwelling is the Mhlontlo Local Municipality with a total of 2 870 or 6.92% of the households.

CHART 45. WATER BACKLOG - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



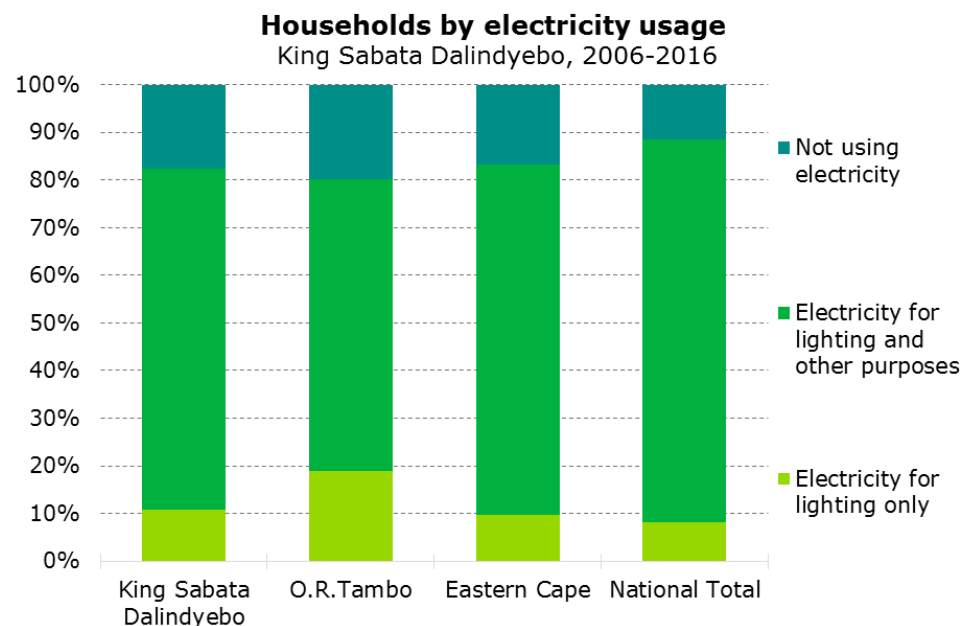
Source: IHS Markit Regional eXplorer version 1181

When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2006 the number of households below the RDP-level were 66 100 within King Sabata Dalindyebo Local Municipality, this decreased annually at -1.07% per annum to 59 400 in 2016.

1.2.11.27 Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

CHART 46. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo Local Municipality had a total number of 12 700 (10.87%) households with electricity for lighting only, a total of 83 200 (71.38%) households had electricity for lighting and other purposes and a total number of 20 700 (17.74%) households did not use electricity.

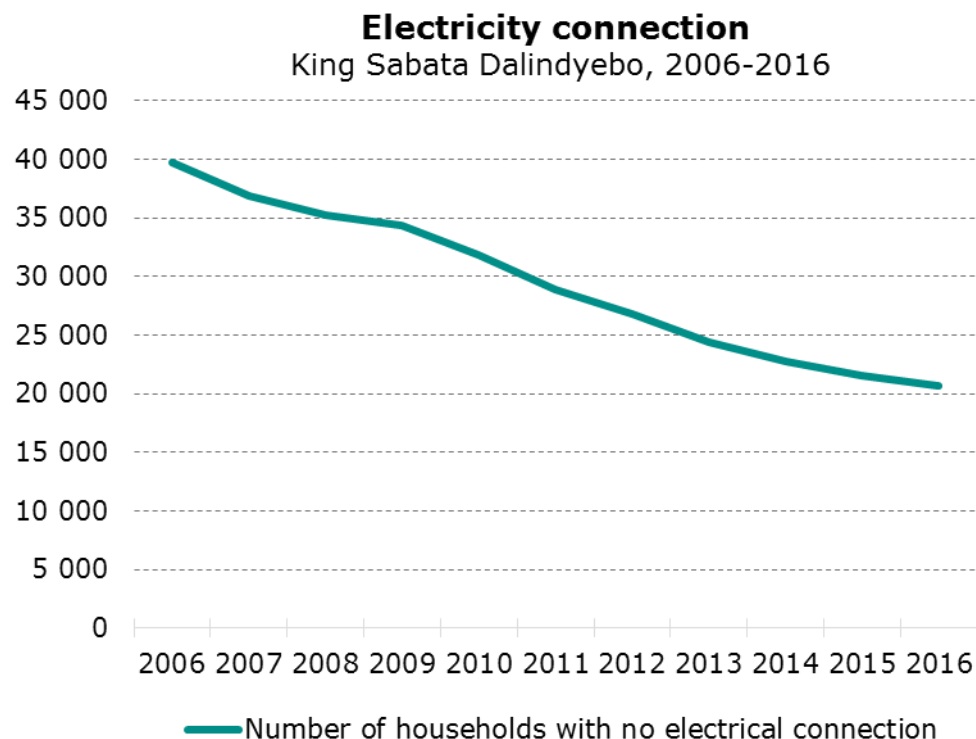
TABLE 42. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO, 2016 [NUMBER]

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
King Sabata Dalindyebo	12,700	83,200	20,700	117,000
Ngquza Hill	14,800	31,700	14,200	60,700
Port St Johns	10,500	15,500	7,520	33,600
Nyandeni	14,700	38,700	12,900	66,300
Mhlontlo	8,300	27,800	8,550	44,600
Total O.R.Tambo	61,063	196,831	63,839	321,733

Source: IHS Markit Regional eXplorer version 1181

The region within O.R.Tambo with the highest number of households with electricity for lighting and other purposes is King Sabata Dalindyebo Local Municipality with 83 200 or a share of 42.28% of the households with electricity for lighting and other purposes within O.R.Tambo District Municipality. The region with the lowest number of households with electricity for lighting and other purposes is Port St Johns Local Municipality with a total of 15 500 or a share of 7.88% of the total households with electricity for lighting and other purposes within O.R.Tambo District Municipality.

CHART 47. ELECTRICITY CONNECTION - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]



Source: IHS Markit Regional eXplore

When looking at the number of households with no electrical connection over time, it can be seen that in 2006 the households without an electrical connection in King Sabata Dalindyebo Local Municipality was 39 700, this decreased annually at -6.30% per annum to 20 700 in 2016.

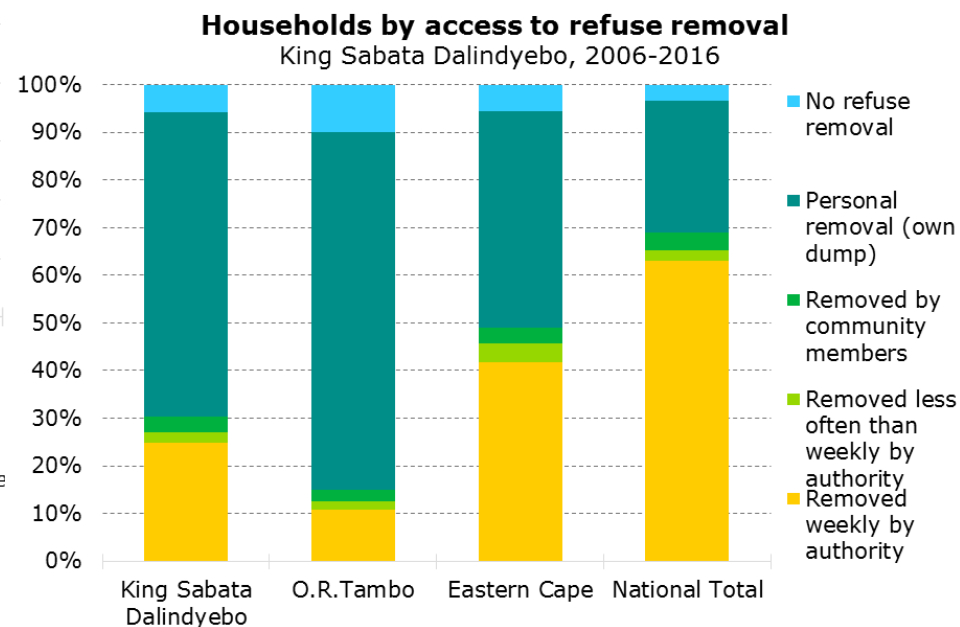
1.2.11.28 Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where

either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuse is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

CHART 48. HOUSEHOLDS BY REFUSE DISPOSAL - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo Local Municipality had a total number of 29 100 (24.94%) households which had their refuse removed weekly by the authority, a total of 2 530 (2.17%) households had their refuse removed less often than weekly by the authority and a total number of 74 400 (63.82%) households which had to remove their refuse personally (own dump).

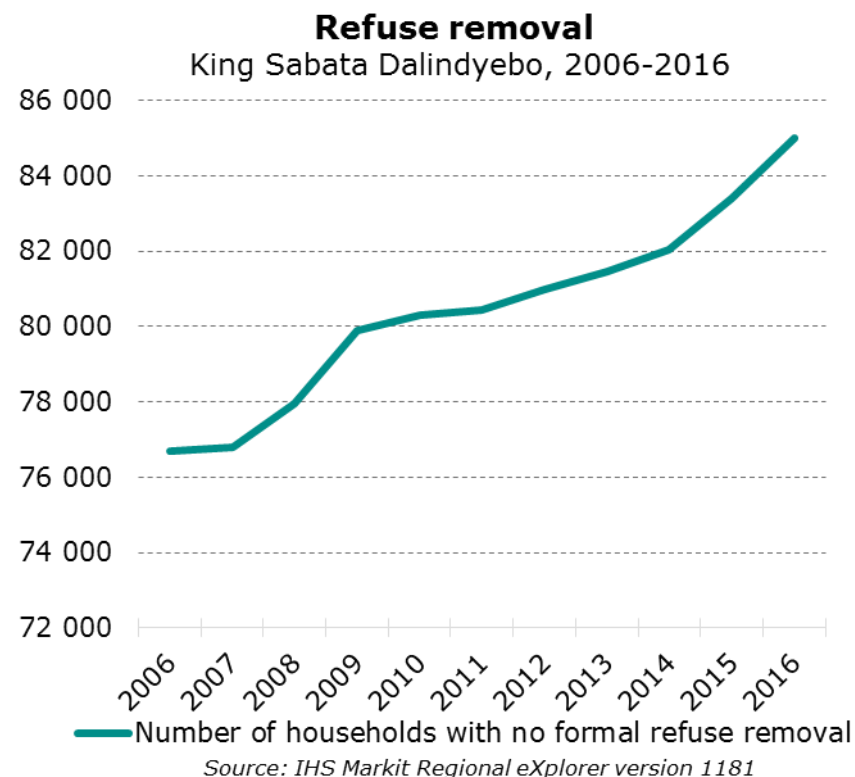
TABLE 43. HOUSEHOLDS BY REFUSE DISPOSAL - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO, 2016 [NUMBER]

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
King Sabata Dalindyebo	29,100	2,530	3,860	74,400	6,720	117,000
Ngquza Hill	2,080	1,280	1,000	49,900	6,440	60,700
Port St Johns	711	203	649	26,600	5,350	33,600
Nyandeni	1,040	714	1,050	55,600	7,890	66,300
Mhlontlo	1,830	645	1,560	35,200	5,410	44,600
Total O.R.Tambo	34,736	5,365	8,123	241,703	31,807	321,733

Source: IHS Markit Regional eXplorer version 1181

The region within O.R.Tambo with the highest number of households where the refuse is removed weekly by the authority is King Sabata Dalindyebo Local Municipality with 29 100 or a share of 83.70% of the households where the refuse is removed weekly by the authority within O.R.Tambo. The region with the lowest number of households where the refuse is removed weekly by the authority is Port St Johns Local Municipality with a total of 711 or a share of 2.05% of the total households where the refuse is removed weekly by the authority within the district municipality.

CHART 49. REFUSE REMOVAL - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]



When looking at the number of households with no formal refuse removal, it can be seen that in 2006 the households with no formal refuse removal in King Sabata Dalindyebo Local Municipality was 76 700, this increased annually at 1.03% per annum to 85 000 in 2016. The total number of households within King Sabata Dalindyebo Local Municipality increased at an average annual rate of 2.10% from 2006 to 2016, which is higher than the annual increase of 1.97% in the number of households in South Africa. With high in-migration into a region, the number of households increases, putting additional strain on household infrastructure. In the

short to medium term this can result in an increase in the number of households not living in a formal dwelling, as the provision of household infrastructure usually takes time to deliver.

1.2.11.29 Tourism

Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

Trips by purpose of trips

Definition: As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence. This is usually referred to as a round trip. IHS likes to narrow this definition down to overnight trips only, and only those made by adult visitors (over 18 years). Also note that the number of "person" trips are measured, not household or "party trips".

The main purpose for an overnight trip is grouped into these categories:

- Leisure / Holiday
- Business
- Visits to friends and relatives
- Other (Medical, Religious, etc.)

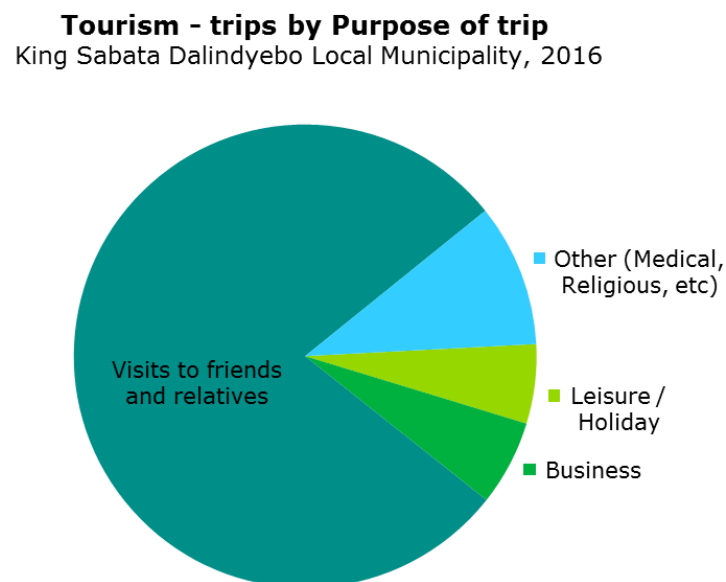
TABLE 44. NUMBER OF TRIPS BY PURPOSE OF TRIPS - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER PERCENTAGE]

	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc.)	Total
2006	38,300	14,400	251,000	25,600	330,000
2007	35,800	14,100	243,000	26,300	319,000
2008	31,700	14,200	229,000	29,900	305,000
2009	25,700	13,600	216,000	29,100	284,000
2010	21,900	13,800	206,000	28,000	269,000
2011	20,800	13,300	203,000	26,600	264,000
2012	19,500	13,300	196,000	25,000	254,000
2013	19,000	13,200	202,000	25,700	259,000
2014	15,700	13,000	183,000	22,900	234,000
2015	14,000	13,600	183,000	22,600	233,000
2016	13,300	14,400	189,000	24,000	241,000
Average Annual growth					
2006-2016	-10.00%	-0.04%	-2.80%	-0.63%	-3.09%

Source: IHS Markit Regional eXplorer version 1181

In King Sabata Dalindyebo Local Municipality, the Business, relative to the other tourism, recorded the highest average annual growth rate from 2006 (14 400) to 2016 (14 400) at -0.04%. Visits to friends and relatives recorded the highest number of visits in 2016 at 189 000, with an average annual growth rate of -2.80%. The tourism type that recorded the lowest growth was Leisure / Holiday tourism with an average annual growth rate of -10.00% from 2006 (38 300) to 2016 (13 400).

CHART 50. TRIPS BY PURPOSE OF TRIP - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

The Visits to friends and relatives at 78.53% has largest share the total tourism within King Sabata Dalindyebo Local Municipality. Other (Medical, Religious, etc.) tourism had the second highest share at 9.97%, followed by Business tourism at 5.96% and the Leisure / Holiday tourism with the smallest share of 5.54% of the total tourism within King Sabata Dalindyebo Local Municipality.

Origin of Tourists

In the following table, the number of tourists that visited King Sabata Dalindyebo Local Municipality from both domestic origins, as well as those coming from international places, are listed.

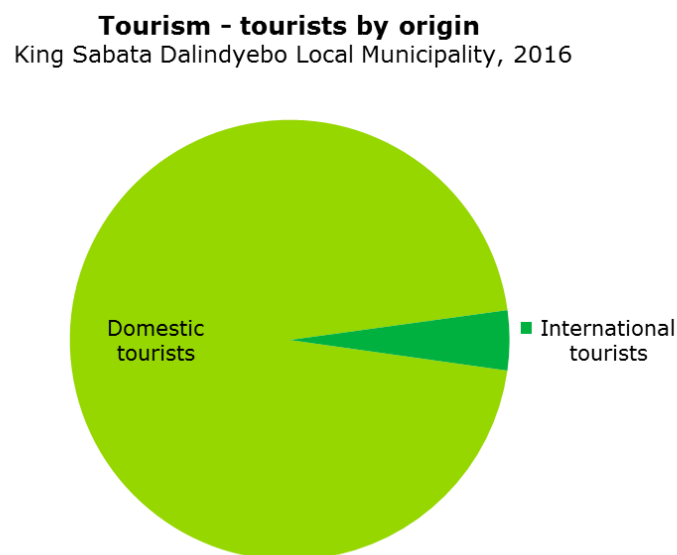
TABLE 45. TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER]

	Domestic tourists	International tourists	Total tourists
2006	318,000	11,300	330,000
2007	308,000	11,100	319,000
2008	295,000	10,400	305,000
2009	274,000	9,990	284,000
2010	259,000	10,600	269,000
2011	253,000	10,300	264,000
2012	243,000	10,700	254,000
2013	249,000	10,400	259,000
2014	224,000	10,200	234,000
2015	224,000	9,320	233,000
2016	230,000	10,600	241,000
Average Annual growth			
2006-2016	-3.18%	-0.65%	-3.09%

Source: IHS Markit Regional eXplorer version 1181

The number of trips by tourists visiting King Sabata Dalindyebo Local Municipality from other regions in South Africa has decreased at an average annual rate of -3.18% from 2006 (318 000) to 2016 (230 000). The tourists visiting from other countries decreased at an average annual growth rate of -0.65% (from 11 300 in 2006 to 10 600). International tourists constitute 4.39% of the total number of trips, with domestic tourism representing the balance of 95.61%.

CHART 51. TOURISTS BY ORIGIN - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

Bed nights by origin of tourist

Definition: A bed night is the tourism industry measurement of one night away from home on a single person trip.

The following is a summary of the number of bed nights spent by domestic and international tourist within King Sabata Dalindyebo Local Municipality between 2006 and 2016.

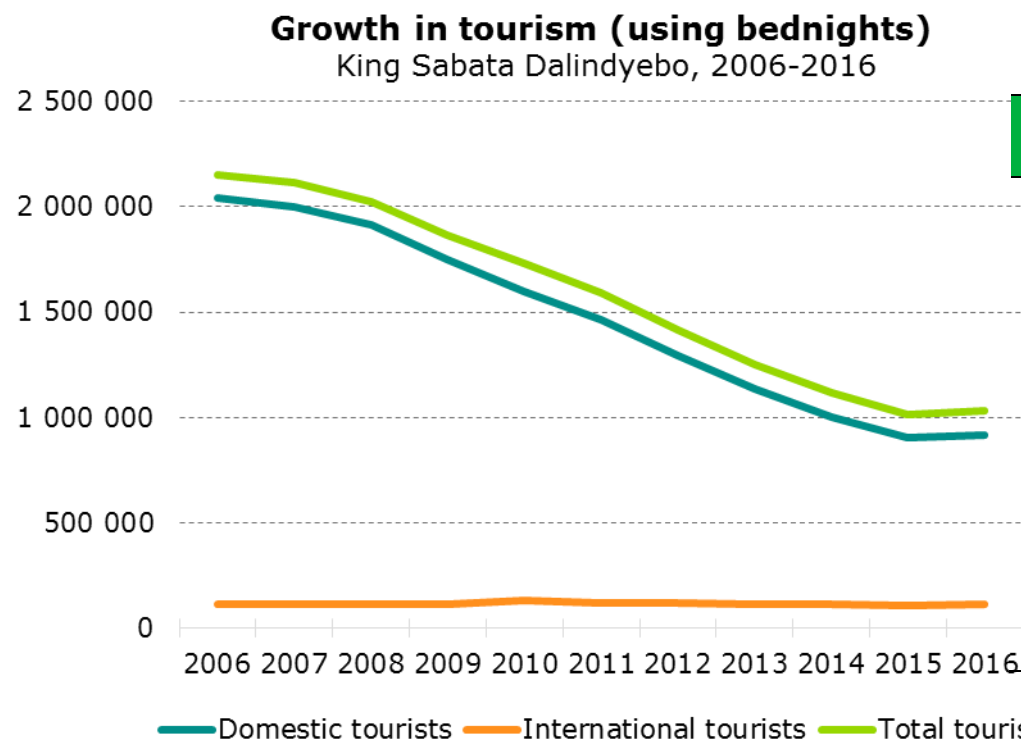
TABLE 46. BEDNIGHTS BY ORIGIN OF TOURIST - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER]

	Domestic tourists	International tourists	Total tourists
2006	2,040,000	113,000	2,150,000
2007	2,000,000	112,000	2,110,000
2008	1,910,000	114,000	2,030,000
2009	1,750,000	117,000	1,870,000
2010	1,600,000	131,000	1,730,000
2011	1,470,000	124,000	1,590,000
2012	1,300,000	120,000	1,420,000
2013	1,140,000	114,000	1,250,000
2014	1,000,000	114,000	1,120,000
2015	908,000	107,000	1,020,000
2016	920,000	114,000	1,030,000
Average Annual growth			
2006-2016	-7.65%	0.14%	-7.07%

Source: IHS Markit Regional eXplorer version 1181

From 2006 to 2016, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -7.65%, while in the same period the international tourists had an average annual increase of 0.14%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -7.07% from 2.15 million in 2006 to 1.03 million in 2016.

CHART 52. GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [NUMBER]



Source: IHS Markit Regional eXplorer version 1181

It is important to note that this type of spending differs from the concept of contribution to GDP. Tourism spending merely represents a nominal spend of trips made to each region.

TABLE 47. TOTAL TOURISM SPENDING - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [R BILLIONS, CURRENT PRICES]

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total
2006	0.4	1.0	9.5	126.9
2007	0.4	1.0	10.0	138.7
2008	0.5	1.1	11.1	152.5
2009	0.4	1.1	10.9	153.4
2010	0.5	1.1	11.6	167.2
2011	0.5	1.1	11.4	174.6
2012	0.5	1.1	12.0	199.9
2013	0.5	1.1	12.3	218.3
2014	0.6	1.2	12.8	238.7
2015	0.6	1.2	12.8	236.3
2016	0.6	1.3	14.0	265.9

Source: IHS Markit Regional eXplorer version 1181

King Sabata Dalindyebo Local Municipality had a total tourism spending of R 645 million in 2016 with an average annual growth rate of 4.4% since 2006 (R 418 million). O.R.Tambo District Municipality had a total tourism spending of R 1.35 billion in 2016 and an average annual growth rate of 2.6% over the period. Total spending in Eastern Cape Province increased from R 9.46 billion in 2006 to R 14 billion in 2016 at an average annual rate of 4.0%. South Africa as whole had an average annual rate of 7.7% and increased from R 127 billion in 2006 to R 266 billion in 2016.

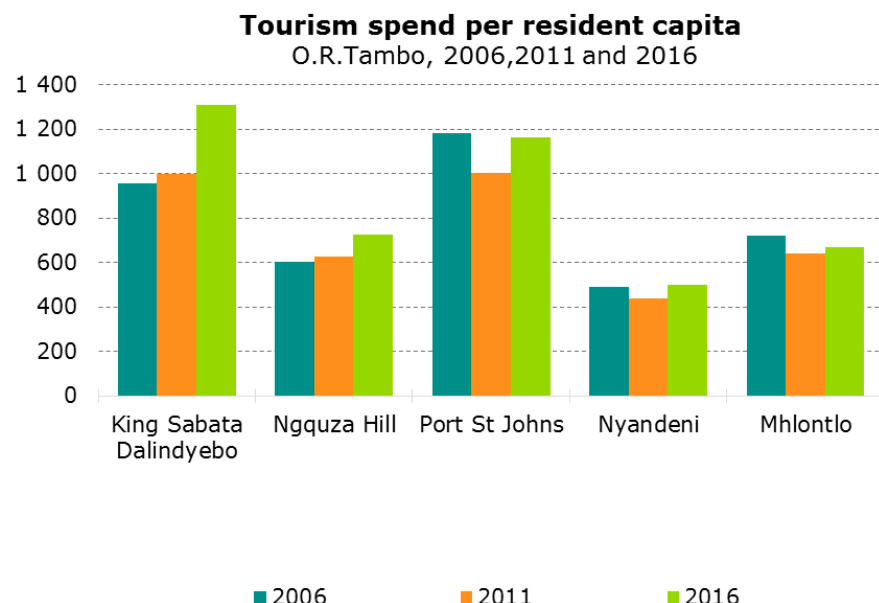
1.2.11.30 Tourism Spend per Resident Capita

Another interesting topic to look at is tourism spending per resident capita. To calculate this, the total amount of tourism spending in the region is divided by the number of residents living within that region. This gives a relative indication of how important tourism is for a particular area.

Tourism spending

Definition: In their Tourism Satellite Account, StatsSA defines tourism spending as all expenditure by visitors for their trip to the particular region. This excludes capital expenditure as well as the shopping expenditure of traders (called shuttle trade). The amounts are presented in current prices, meaning that inflation has not been taken into account.

CHART 53. TOURISM SPEND PER RESIDENT CAPITA - KING SABATA DALINDYEBO LOCAL MUNICIPALITY AND THE REST OF O.R.TAMBO, 2006,2011 AND 2016 [R THOUSANDS]



Source: IHS Markit Regional eXplorer version 1181

In 2016, King Sabata Dalindyebo Local Municipality had a tourism spend per capita of R 1,310 and an average annual growth rate of 3.17%, King Sabata Dalindyebo Local Municipality ranked highest amongst all the regions within O.R.Tambo in terms of tourism spend per capita. The local municipality that ranked lowest in terms of tourism spend per capita is Nyandeni with a total of R 500 which reflects an increase at an average annual rate of 0.18% from 2006.

1.2.11.31 Tourism Spend as a Share of GDP

Definition: This measure presents tourism spending as a percentage of the GDP of a region. It provides a gauge of how important tourism is to the local economy. An important note about this variable is that it does not reflect what is spent in the tourism industry of that region, but only what is spent by tourists visiting that

region as their main destination. Total spending as % share of GDP - King Sabata Dalindyebo, O.R.Tambo, Eastern Cape and National Total, 2006-2016 [Percentage]

	King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total
2006	4.0%	6.4%	6.7%	6.9%
2007	3.5%	5.4%	6.0%	6.6%
2008	3.6%	5.6%	6.4%	6.4%
2009	3.1%	4.7%	5.7%	6.1%
2010	2.9%	4.4%	5.5%	6.1%
2011	2.7%	4.0%	5.0%	5.8%
2012	2.6%	3.8%	4.8%	6.1%
2013	2.6%	3.6%	4.5%	6.2%
2014	2.6%	3.6%	4.3%	6.3%
2015	2.5%	3.4%	4.0%	5.8%
2016	2.6%	3.5%	4.2%	6.1%

Source: IHS Markit Regional eXplorer version 1181

In King Sabata Dalindyebo Local Municipality the tourism spending as a percentage of GDP in 2016 was 2.62%. Tourism spending as a percentage of GDP for 2016 was 3.55% in O.R.Tambo District Municipality, 4.15% in Eastern Cape Province. Looking at South Africa as a whole, it can be seen that total tourism spending had a total percentage share of GDP of 6.12%.

1.2.11.32 International Trade

Trade is defined as the act of buying and selling, with international trade referring to buying and selling across international border, more generally called importing and exporting. The Trade Balance is calculated by subtracting imports from exports.

1.2.11.33 Relative Importance of international Trade

In the table below, the King Sabata Dalindyebo Local Municipality is compared to O.R.Tambo, Eastern Cape Province and South Africa, in terms of actual imports and exports, the Trade Balance, as well the contribution to GDP and the region's contribution to total national exports and imports.

TABLE 48. MERCHANDISE EXPORTS AND IMPORTS - KING SABATA DALINDYEBO, O.R.TAMBO, EASTERN CAPE AND NATIONAL TOTAL, 2016 [R 1000, CURRENT PRICES]

		King Sabata Dalindyebo	O.R.Tambo	Eastern Cape	National Total
Exports (R 1000)	(R	15,801	18,218	56,022,132	1,104,212,999
Imports (R 1000)	(R	2,107	2,433	55,585,538	1,089,676,997
Total Trade (R 1000)		17,908	20,652	111,607,670	2,193,889,996
Trade Balance (R 1000)	(R	13,693	15,785	436,594	14,536,002
Exports as % of GDP		0.1%	0.0%	16.6%	25.4%
Total trade as % of GDP		0.1%	0.1%	33.0%	50.5%
Regional share	-	0.0%	0.0%	5.1%	100.0%
Exports Regional share	-	0.0%	0.0%	5.1%	100.0%
Imports					
Regional share - Total Trade		0.0%	0.0%	5.1%	100.0%

Source: IHS Markit Regional eXplorer version 1181

The merchandise export from King Sabata Dalindyebo Local Municipality amounts to R 15.8 million and as a percentage of total national exports constitutes about 0.00%. The exports from King Sabata Dalindyebo Local Municipality constitute 0.06% of total King Sabata Dalindyebo Local Municipality's GDP. Merchandise imports of R 2.11 million constitute about 0.00% of the national imports. Total trade within King Sabata Dalindyebo is about 0.00% of

total national trade. King Sabata Dalindyebo Local Municipality had a positive trade balance in 2016 to the value of R 13.7 million.

CHART 54. IMPORT AND EXPORTS IN KING SABATA DALINDYEBO LOCAL MUNICIPALITY, 2006-2016 [R 1000]



Source: IHS Markit Regional eXplorer version 1181

Analysing the trade movements over time, total trade increased from 2006 to 2016 at an average annual growth rate of 16.94%. Merchandise exports decreased at an average annual rate of 0.00%, with the highest level of exports of R 16.8 million experienced in 2015. Merchandise imports decreased at an average annual growth rate of -5.58% between 2006 and 2016, with the lowest level of imports experienced in 2008.

CHART 55. MERCHANDISE EXPORTS AND IMPORTS - KING SABATA DALINDYEBO AND THE REST OF O.R.TAMBO, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1181

When comparing the King Sabata Dalindyebo Local Municipality with the other regions in the O.R.Tambo District Municipality, King Sabata Dalindyebo has the biggest amount of international trade (when aggregating imports and exports, in absolute terms) with a total of R 17.9 million. This is also true for exports - with a total of R 15.8 million in 2016. Port St Johns had the lowest total trade figure at R 0. The Port St Johns also had the lowest exports in terms of currency value with a total of R 0 exports.

1.3 SPATIAL DEVELOPMENT RATIONALE

The KSD Municipal Council reviewed its Spatial Development Framework adopted the 2013-2018 SDF at its meeting May 2013, the SDF is now under review to cater for new developments and issues of Spatial Land Use Management Act (SPLUMA). The SDF seeks to (1) guide the spatial distribution of current and future desirable land uses/activities within the municipality and (2) give physical effect to the vision, goals and objectives of the municipal IDP. In effect, the SDF represents a "picture" of where the municipality needs to direct development efforts and capital expenditure in Spatial Management Areas. As such, the primary purpose of the SDF is to guide all decisions of the municipality relating to the use, development and planning of land and, should guide and inform:

- A hierarchy of settlements to illustrate the relative importance and purpose (function) of different places (towns and settlements);
- The identification of major movement routes;
- The identification of Special Development Areas for specific interventions either to facilitate and/or improve local economic development opportunities, or to address special instances of need; and
- The conservation of both natural and built environments.

In so doing, it is hoped that the SDF will become a useful tool whereby other role-players in different spheres of government, non-governmental agencies and the private sector would be better informed as to how best to direct their investment and development programme activities in KSD to ensure greater coordination and impact in investment and spending. As such, the SDF attempts to ensure that public and private sector investment and activities are located in areas that can best:

- Promote economic generation potential;
- Maximise opportunities for the poor;
- Improve accessibility;
- Minimise the cost of physical expansion;
- Ensure that people are well located to opportunities and amenities; and
- Promote a sustainable environment.

In addition to the above general purpose, it is also the intention of an SDF to provide the basis to inform the development of a coherent land-use management system. As the SDF provides a broad framework for land use planning, it also includes Land Use Management Guidelines that are to be used to guide the municipality in the management of land and to facilitate the land management process.

The SDF identifies a number of Nodes and Corridors within KSD Municipality

Table: Nodes and Corridors as identified in KSD SDF

SMA 1: Plan No 7 (Mthatha, Airport and Langeni)

Wards: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 30, 31, 33 and 34

This SMA is characterised by the Primary node of Mthatha which is the main and dominant node within KSD. Mthatha is also the 3rd largest city in the Eastern Cape. This SMA has been defined by the City of Mthatha, Airport complex and activity corridor, the R61, N2, future N2 toll road, railway corridor, the Langeni forest development zone, LED projects, Mandela tourism corridor, agricultural land at varying potential, major human settlement developments and considerable Presidential Intervention infrastructure projects in this SMA.

SMA 2: Plan No 8 (Qunu and Viedgiesville)

Wards: 32, 18, 19, 20

Spatial Elements	Type of element	Area/Locality	Function
Nodes	Primary		
	Secondary	Viedgiesville	Human Settlement and future logistics hub / mixed use higher order development node
	Special Development Area	Qunu	Human Settlement

Corridors	Primary Corridor	N2 railway corridor	High-density development On sections of this corridor. The main mobility route of goods and people through the municipality.
	Mobility Route		These routes carry passing traffic and provide access between local areas in KSD and centres further afield
	Proposed mobility route	R61 to Bityi / N2	
	Special Route – tourism	Mandela route Mvezo Qunu	These routes relate to tourism destinations and provide links between tourism nodes and main mobility routes

This SMA is characterised by the N2 and railway line as the primary corridors. Viedgiesville is the highest order node, classified as a secondary node. Further to this the Eastern Cape and National Department of Human Settlements have identified Qunu to become a new development area and this area has been classified as a Special Development Area, provisionally named “Qunu City” (name to be confirmed in future through consultation). In addition to the above, there are LED projects, new link road from Bityi to the R61 in the north, Mandela tourism corridor, agricultural land (moderate potential) at varying potential in SMA No 2.

SMA 3: Plan No 9 (Mqanduli)

Wards: 21, 22, 23, 26, 28, 29, 35

This SMA is characterised by Mqanduli as the primary and highest order node. In addition, there are numerous agricultural projects, LED and infrastructure projects, major tourism corridor linking N2 to the Wild Coast (Coffee Bay and Hole in the Wall), agricultural land that is being developed as well as planned agricultural developments and natural plantations, in SMA No 3.

Spatial Elements	Type of element	Area/Locality	Function
Nodes	Primary	Mqanduli	High order human settlement Agriculture Service Centre Mixed Use and Industry
	Rural	Gengqe, Qokolweni	Rural Service Node Crop production / co-op support and agriculture development areas
Corridors	Primary Corridor	Borders on the N2 and railway corridor	High-density development On sections of this corridor. The main mobility route of goods and people through the municipality.
	Mobility Route	Main road to Wild Coast from N2	These routes carry passing traffic and provide access between local areas in KSD and centres further afield
	Proposed mobility route		
	Special Route - tourism	DR 08031 from N2 to Coffee Bay / Wild Coast	These routes relate to tourism destinations and provide links between tourism nodes and main mobility routes

SMA 4: Plan No 10 (Coffee Bay and Hole in the Wall)

Wards: 24, 25 and 27

This SMA is characterised with Coffee Bay as a secondary node. In addition, there is the Resort Area of Hole of the Wall and the Rural Node of Kwaaiman. There are numerous agricultural projects, LED and infrastructure projects, with the tourism corridor linking N2 to the Wild Coast (Coffee Bay and Hole in the Wall), agricultural land that is being developed as well as planned development, planned Wild Coast Meander mobility/tourism corridor in SMA No 4.

Spatial Elements	Type of element	Area/Locality	Function
NODES	Secondary	Coffee Bay	High order service node – full and highest level of services
	Resort	Hole in the Wall	
	Transit Hub	Ngcwanguba	
	Rural	Kwaaiman	Rural Service Node Crop production / co-op support and agriculture development areas
Corridors	Primary Corridor		High-density development on sections of this corridor. The main mobility route of goods and people through the municipality.
	Mobility Route	DR 08031 from N2 to Coffee Bay / Wild Coast	These routes carry passing traffic and provide access between local areas in KSD and centres further afield
	Proposed mobility route	Wild Coast Meander	
	Special Route - tourism		These routes relate to tourism destinations and provide links between tourism nodes and main mobility routes

i. Development pressure

There has been a demand and increase in development over the past five (5) years. This relates to all sectors including shopping malls and mixed use developments and Infrastructure. There is a backlog of bulk infrastructure which has an impact on spatial development and provision of human settlements as well as growth and development.

- Land

There is a shortage of land, especially serviced land for a range of developments. The majority of land is communal and unregistered state land.

- Land Development Trends & Settlement Formation

This issue refers to the challenge posed by un-managed settlement formation in both rural and urban contexts, which threaten in many cases natural resources as well as the optimal planning and utilization of infrastructure and road networks. Some of the main elements of this issue include: -

- The prevalence of land claims that have not been resolved and the developmental uncertainty that results from these claims
- Forward planning that takes into account development trends (e.g. major state development programs' locations/intended outputs)

ii. Spatial Fragmentation vs Basic Needs

This issue highlights the problems inherent in attempting to provide housing and a basic level of service to all residents, whilst dealing with the reality of a spatially fragmented settlement and economic development pattern. The challenge to sustainability is profound and highlights the importance of elements such as: -

- Sustaining natural resources and indigenous environmental species for future generations

- The development of a sound road network to link settlements and areas of opportunities (i.e. areas where goods and services and socio-economic opportunities may be accessed).
- The development of service delivery strategies that take into account the logistical difficulties of staffing and managing the provision of quality services in remote rural areas where communication is difficult.

iii. Spatial Planning and Land Use Management Act (SPLUMA)

The government of republic of South Africa has passed a Spatial Planning and Land Use Management Act preferable to align with the following principles, and this must be taken into account when planning:

- The principle of spatial justice
- The principle of spatial sustainability
- The principle of efficiency
- The principle of good administration

The SPLUMA further underpins the following:-

- Redress
- Inclusion
- Flexibility for all types of settlements
- Tenure and informal settlement upgrading
- Land value

Council of the King Sabata Dalindyebo (KSD) Municipality adopted SPLUMA by-law in April 2016 and gazetted in October 2016. Council further resolved and adopted the following:-

- i. Single tribunal
- ii. An authorised official
- iii. The Appeal committee is Mayoral Executive Committee
- iv. Delegated authority to the tribunal

- v. Agreed on the types of applications for category 1 and 2 applications
- vi. Adopted and a customised by-law in October 2016
- vii. Invited nominations for membership of the tribunal and adjudicated same in January 2017

It was noted that the recommendations were not wholly supported by The Mayoral Executive Committee and the period for approval of members by Council has expired and nominations will need to be invited again. The post of Administrator has been advertised but no appointments made yet.

1. Land Use Management

This issue highlights the need to ensure that the policies and institutional structures are set in place to allow the KSD Municipality and all other land use regulating authorities to practice wise land use management in both the urban and rural areas under their jurisdiction. The municipality is currently using QGIS as a GIS tool. The post for GIS coordinator is provided in the institutional organogram and intended to be filled-in by end December 2017. Currently four (4) GIS interns have been seconded by National Treasury and are supervised under Human Settlements directorate.

Key elements of this issue include: -

- The uncertainty relating to the roles of Municipalities vs Traditional Authorities in relation to land management in rural areas.
- Land reform as it pertains to the reform of land tenure and the regularization of land rights (some of which are informal) in the municipality, as this relates to the abilities of land owners to exercise authority over land holdings and land use regulators to engage in a more structured manner with land owners.

The following are some of the challenges identified in the Spatial Development Framework:
-

- The prevalence of land claims that have not been resolved and the developmental uncertainty that results from these claims.
- Sustainable use of the natural environment and the protection/conservation of environmentally sensitive areas.
- Shortage of land (serviced land suitable for development)
- The majority of land being communal and unregistered state land.
- Un-managed settlements in both rural and urban contexts
- Underdeveloped land around the towns and settlements for formalized economic development
- Future settlement development success will require speedy resolution of outstanding land claims to free up underdeveloped land and formulating agreements with the Traditional Authorities to access land around the towns and settlements for formalized economic development including retail, office and commercial uses.
- Need for sustainable use of the natural environment and the protection/conservation of environmentally sensitive areas

The following plans are available: -

- Protected Area Management Plan
- Soil Degradation Management Plan
- Biodiversity Management Plan
- Environmental Management Framework and Air Quality Management Plan
- Strategic Environmental Assessment
- A Coastal Management Plan

iv. **Spatial structuring elements**

The SDF proposes to make use of the following structuring elements:-

- Development Nodes are defined as those settlements or areas within a settlement that have an identified potential to be further developed for specific purposes, ranging from small towns that are seen as service centres to cities that are seen as regional centres, or even areas within settlements that have development potential for e.g. commercial or industrial uses.
- Development Corridors are defined as those transportation routes (roads and/or rail) that are deemed to have greater significance by virtue of the fact that they provide

access to, from and between places where people live and work. Associated with the concept of Development Nodes, a spatial planning “tool” to assist in managing urban and rural settlement areas is proposed: that is, the tool of identifying Settlement Edges and the associated planning “tool” of designating so-called Resource Edges around areas identified as having special significance from an environmental and/or potential economic resource perspective.

- **Special Development Areas (SDAs)** are geographical areas where, in order to achieve both the objectives of the KSD Integrated Development Plan and the related objectives of the Spatial Development Framework, the KSD Municipality would need to prioritize its development efforts and capital expenditure.
- Areas where **Environmental Constraints** apply.

v. **Development Nodes**

(a) **Primary Nodes - Mthatha and Mqanduli Towns**

These are higher order service centres providing educational facilities, administrative functions and the highest level of access to shopping and social services in the municipality. The city of Mthatha and town of Mqanduli should be targeted for the following:

- High order investment in infrastructure;
- Development of new public-funded housing areas;
- Development of regional social goods and facilities, including educational institutions, and sports and recreational facilities
- Land use management that focuses on establishing the CBD as an attractive area to do business in.
 - Land use management that facilitates the orderly development of office and retail premises as well as the required range of accommodation to support the administrative and service functions in the area.

(b) **Secondary Nodes - Coffee-Bay and Viedgesville**

These towns are identified as having important local level development functions relating to commerce and tourism. Typically, the range of land developments anticipated for these

areas would include administrative facilities, retail and wholesale commerce, health and education facilities of a higher order and residential accommodation for local residents and people requiring accommodation associated with the service functions of the town. In the case of Coffee Bay, the range of uses is extended by the focus on developing the town as a tourism destination. As these towns also serve a Service Centre function to surrounding rural areas, the development and management of transport hubs that are well-located in relation to commercial and administrative functions is a priority. In all cases the upgrading and extension of the towns' infrastructure networks is deemed a priority and the Level of Service to be strived for is the highest level that is determined to be economically feasible.

(c) Rural Nodes

These rural villages where higher order rural-level services are have been identified as rural nodes. These are: Gengqe Mvezo, Baziya, Kwaaiman, Langeni, Mpeko, Mqekwezweni, Qokolweni, Qunu, Bityi, Luthubeni, Mhlakulo, Gogozayo, Ngcwanguba and Hole in the Wall. These are seen to include education facilities, primary health care facilities (clinics) and, where required, other social facilities (police stations, pension pay points etc.). The priority from an infrastructure point of view for these rural nodes remains a basic level of supply for water services and electricity. However, road access to and from these nodes is seen to be of a higher priority and should be noted accordingly when road development and maintenance budgets are drawn up by KSD.

(d) Resort Nodes

Areas identified as resort nodes include Mthatha Dam, Luchaba Wildlife Reserve, Airport Complex Special Development Area and Mthatha Mouth. These are settlements where the principal function has been identified as being related to the development of a viable and sustainable Coastal Tourism sector. Accordingly, the priorities in these settlements are related to appropriate infrastructure development, the development of suitable access roads and the maintenance of the infrastructure so developed. A further set of priorities for these settlements is strongly related to the appropriate management of land use and related activities as well as rigorous environmental management to preserve the environmental assets that provide the competitive advantage of these areas.

Development Corridors

Development corridors are described in planning terms as roads or railway routes that are usually associated with the movement of people between places. This function of facilitating movement of people along a route also means that these "movement corridors" have the potential to accommodate development of different levels of intensity and a mix of land uses at certain points along the route.

Mobility Route: is a road with limited access that principally carries traffic between major nodes.

Activity Corridor: Is a band of high-density urban development up to 800m wide along a public transportation route. Typically, activity corridors link areas of greater intensity of land use (nodes) and are usually found in larger urban areas.

Special Routes: In addition to the above types of development corridor commonly defined, the particular circumstances within KSD warrant the identification of Special Corridors, related to tourism development.

Development corridor

TYPE	AREA/DESCRIPTION OF LOCALITY	FUNCTION
Primary Corridor	East London- Mthatha – Kokstad (N2) Railway Corridor	High-density development on sections of this corridor. The main mobility route of goods and people through the municipality.
Mobility Routes	N2 R61 Ugie-Langeni Rd R349 (Coffee Bay)	These routes carry passing traffic and provide access

		between local areas in KSD and center further afield
Mobility Route	N2 Toll Road	
Special Routes – Tourism Focus	Wild Coast Meander (Toll Road from Port St Johns to East London) Mandela Route (From King Williamstown through Bhisho, Mvezo, Qunu and Mthatha and back to East London) R349 (Mthatha via Mqanduli towards the coast)	These routes relate to tourism destinations and provide links between tourism nodes and main mobility routes

vi. Settlement Regions and Resources Edges

Settlement regions

The Settlement Regions proposed in the ECPSPD for KSD are included as they stand. These are areas with the dominant land use type being that of rural settlement, with associated commonage uses (subsistence agriculture practiced largely in homestead gardens, and free range grazing on the common lands). In such Regions, an explicit assumption is made that further such settlement will inevitably occur due to population pressures and socio-cultural dynamics and trends. This does not imply that “anything goes” but rather that the Municipality and Local Municipalities acknowledge that these areas are likely to densify over time if current trends continue, and that an associated loss of land resources for productive agricultural purposes will occur.

vii. Resource edges

A Resource Edge is an area of relatively high value from a land resource perspective (that is to say: it has a perceived high value as land that has agricultural potential or environmental

conservation-worthiness) where intrusion in the form of human activities and associated land uses needs to be carefully managed to ensure sustainable outcomes. Two areas are identified and designated as having major resource potential requiring specific management.

- The inland area associated with the Langeni forests and hinterland is identified
- Land along the Wild Coast including Coffee Bay and Hole in the Wall.

viii. Land Use Management

Land use management plays a critical role in ensuring that key aspects of the SDF are addressed in a planned and managed way. The rural nature of KSD poses more challenges in terms of investment attraction mainly because of land reform challenges. Moreover, with the prospect of the new N2 toll road alignment being implemented in the short-medium term, a clear and accepted spatial development framework for the new alignment needs to be developed, along with specific Land Use Management Guidelines to control land use dynamics as these will inevitably change once the road alignment is confirmed and implementation commences.

ix. Alignment With Local Municipalities And The Wild Coast SDF Development

The success of the SDF depends on the extent of co-ordination and integration with local municipalities. Mechanisms for addressing potential conflicts, challenges and opportunities should be addressed. A planning co-ordination committee led by OR Tambo DM involving all seven municipalities should be strengthened and actively ensures co-ordination of spatial planning elements within the district.

x. Land Tenure

In the past South Africa was segmented by political boundaries that coincided with racial distinctions, the areas delineated for black Africans known as homelands or Bantustans. In urban areas similar political segmentation resulted from the Group Areas Act, No 41 of 1950 where White, Coloured and Indian areas were delineated, as well as black townships (called “locations”), which were, regarded as impermanent during apartheid, with resulting insecure

tenure. The legacies of this extreme spatial and social engineering are proving difficult to turn around despite the repeal of racially discriminatory land legislation.]

Rural land falling within former homeland boundaries is administratively zoned under traditional councils and most of this land is un-surveyed and off-register, i.e. individual property falls outside the formal cadaster, under various forms of so-called communal tenure in reality various legacies of administratively dictated tenure in with allocated plots and common rangelands registered in the name of the state. Rural areas formerly outside of the homelands consisted of over three quarters of the surface area of the country. The land was mostly owned by whites, was surveyed into farms and titled under freehold. Land redistribution of former white-owned rural land has been remarkably slow, where it is happening it is following the route of title under mainly corporate tenures.

Urban areas consisted of surveyed properties under freehold title in white suburbs; surveyed plots in coloured and Indian areas under various titles; and black townships un-surveyed, much of which was informal settlement called “squatter areas. Black townships that straddled homelands and “white South African towns were politically incorporated into homelands, much of which was surveyed under various titles (such as “Deeds of Grant_) and much of which was informally settled. Though these spatial-political distinctions no longer exist, urban areas remain highly segmented by race and class, with slow formalisation on the edges of the formal suburbs.

Informal areas are regarded as pending formalisation areas. That means land and housing falling under subsidised housing projects must be incorporated into the cadastre in full survey and title under freehold. The challenge associated with this objective has meant that large numbers of the urban poor remain in a „pending_ state with no positive tenure status, though rights are minimally protected by anti-eviction legislation (Interim Protection of Land Rights Act, No 31 of 1996 Prevention of Illegal Eviction from and Unlawful Occupation of Land, Act no 108 of 1996, and others).

xi. Policy Analysis

Rural Areas

While there are rural land rights, the content and the enforcement of those rights require attention. Currently the legal framework recognises procedural rights such as the guarantee against dispossession, eviction and also makes provision for compensation. Yet, the vast majority of rural residents do not have registered land rights. A key concern in relation to communal land rights is the lack of appropriate legislation for providing individual or communal rights to people in such areas. The ruling on the constitutionality of the Communal Land Rights Act No 11 of 2004 has left a legal vacuum which is currently being filled by the Interim Protection of Informal Land Rights Act No 36 of 1996. This Act requires annual renewing by the Minister for Rural Development and Land Reform and as such does not offer stability within the system.

The provisions within the Constitution are clear. Section 25(6) of the Constitution states “A person or community whose tenure of land is legally insecure as a result of past racially discriminatory laws or practices is entitled, to the extent provided by an Act of Parliament, either to tenure which is legally secure or to comparable redress” with Section 25(9) requiring that Parliament enact the legislation to address these matters. It could be argued that one of the weakest points in the land rights in South Africa is that of the farmworkers. While this group has some protection in law, it falls short of providing adequate measures for preventing extensive and on-going farm evictions. Urgent and adequate relief must be found within the land reform, redistribution and restitution policies and strategies. When examining the complexities of rural land use and policies in South Africa, there is an urgent need to undertake an in-depth investigation into the development of a comprehensive land use system.

Currently, there is a vast range of legislation for restricting rural land use in the country. Consideration needs to be given to the rationalisation of the fragmented legislation into a possible omnibus. In addition, there is the need to improve and strengthen rural enforcement capabilities. Greater levels of accountability are required in relation to the land reform, restitution and redistribution process in South Africa. The current monitoring and evaluation of rural development appears to be falling short in providing a comprehensive understanding of the rural conditions and the associated community needs. The Department of Rural Development and Land Reform needs to give attention to the development of appropriate baseline indicators and the reporting thereof. Importantly, mechanisms need to be developed to facilitate the use of the results into the policy cycle for the reframing of the short, medium and long term goals and objectives.

xii. Urban Areas

Within the urban areas, the key response for addressing the housing and tenure needs of the poor has been the State's "RDP" housing strategy. This program's implementation has been rapid with almost 3 million units being provided post 1994. However, it is land extensive and as such projects have been located on cheap peripheral land. This has contributed to the entrenchment of the apartheid spatial structure of many towns and cities in South Africa. There is a need for the State to develop a more robust housing policy which at least considers the delivery of rental stock and a multipronged approach to the use of the current housing subsidy. This would require a critical evaluation of the existing subsidy scheme and amendments thereto. Increasing pressure should be placed on the State Owned Enterprises for the release of well-located non-core land for development purposes.

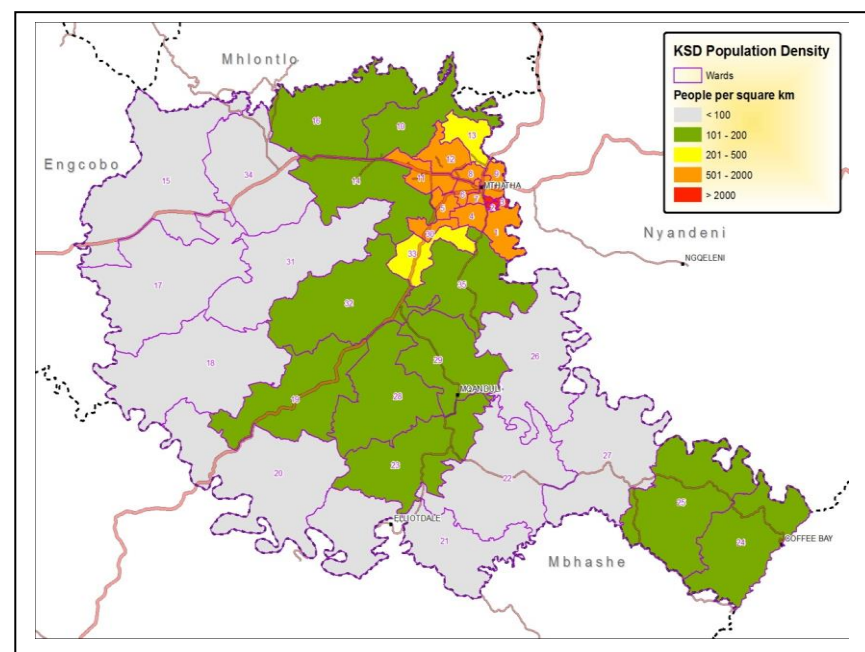
Planning legislation needs to be reviewed and simplified in South Africa. This would include the introduction of mechanisms for improving spatial planning, ensuring greater community access to planning processes and the ring fencing of development contributions. Clearer roles and responsibilities need to be defined in relation to land management especially to address the intergovernmental coordination. Major municipalities also need to strengthen their land use enforcement and planning capacities. Little attention has been given to the so called socially dominated markets which includes the systems of acquiring and trading of land within the informal settlements. An extensive number of urban poor live within such settlements, and to date, municipalities have lacked innovation and the political will to determine an appropriate response. A National Government policy needs to be formulated which addresses an approach toward obtaining tenure security in urban areas.

xiii. Land Management Programme

This Programme is identified based on the concern that land management (in particular, land use management) is not being attended to adequately. This function is vital to ensure the wise use of resources. No Policy or Legal Framework exists to guide the formulation of a comprehensive Land Use Management System. It is clear that the key role-players in land management provide for differential levels of administrative oversight over land uses in urban and rural areas, based on abroad and accepted understanding of the need to practice wise land use management in order to ensure sustainable development. Therefore, what is envisaged is

the establishment of a Land Management Forum that includes Traditional Authorities to consider and advice on the matters of land use management and land development projects in rural areas.

Settlement types



Housing sector plan

KSD Municipality has developed a Housing Sector Plan approved in 2011 for a duration ending in 2016, it outlines the development of integrated human settlement that includes, housing backlogs and demands. The current Housing Sector Plan is based on the current and foreseen current status; it is intended to be reviewed in 2016. This sector plan is aligned to the IDP priorities and Spatial Development Framework.

Table below includes projects that are currently under implementation.

Current Housing Projects

Programme/ Project	Delivery	Amount
Informal Settlement Upgrading		
Ngangelizwe (1850 units)	Interim services and informal settlement upgrading (Road construction, water, sanitation) Ngangelizwe 200 is alternative technology houses.	R24,1M
Phola Park (1400 units)		R18,3M
Mandela, Chris Hani and Slovo Parks Phase 1 & 2 (9900 units)		R74,8M
Ngangelizwe (200 houses)		R21,0M
Hillcrest Roads Paving (389 units)		R9,7M
Greenfields Developments	Serviced stands.	
Maydene Farm Ext (Project A): (2063 units)		R7 489 866
Zimbane Heights (Project B): (1795 units)		
Zimbane Valley 50Ha (Project C): (2642 units)	Serviced stands	R6 517 654
Community Residential Units (Feasibility Studies)	A feasibility study is conducted in the three listed sites towards implementation.	-
Greenville (KwaMpuku)		
Ngangelizwe Hostels (Emasokeni)		

Programme/ Project	Delivery	Amount
New Brighton		
Rectification Projects		
Zimbane 1959 (include Kuyasa 477)	Rectification of services and top structures, excluding Kuyasa 477.	R153,3M
Ilitha 463		R37,6M
Maydene Farm 969		R108,7M
Waterfall 1183		R109,3M
Makhenkesi 500		R13,1M
New Payne 200		R17,1M
Ncambele 300		R21,9M
Ndlunkulu 174		R15,3M
New Payne 227		-
Zidindi 100		R8,7M
Lindile 201	Rectification of services and top structures, excluding Kuyasa 477.	R2,1M
Rural Housing	RDP Houses	
Willow (200 units)		R17,1M
Mahlungulu (350 units)		R31,4M
Mthonjana (350 units)		R40,2M

Programme/ Project	Delivery	Amount
Ntshabeni (200 units)		R17,1M
Destitute (KSD 315 units)		R3,7 M
Destitute (KSD 385 units)		R3,5 M

Planned Housing Projects

PROJECT NAME	NUMBER OF UNITS	WARD NUMBER	SETTLEMENT/AREA
Mayden Farm Ext Project A	2063	9	Urban
Zimbane Heights Project B	1795	4	Urban
Zimbane Valley 59 ha Project C	2642	4 & 5	Urban
New Brighton CRU	204	9	Urban
Kei rail low density	537	4	Urban
KSD 350 (Destitute)	350	Various Wards	Rural
Phola Park	1400	8	Peri-urban
Mthatha West (Mandela, Chris Hani, Slovo Parks)	7524	11 & 12	Peri-urban
New Brighton – mixed use	125	9	urban
Etipini	48	Various wards	Rural/urban

Blocked Housing Projects

Project Name	Number of Units	
New Payne	227	Blocked
KSD	315	Blocked
Zidindi	100	Blocked
KSD 350-Mthonjana	350	Blocked

Strategic Programmes

Strategic goal	Objective
To declare demand	Undertake Housing Consumer Education and raise awareness and a housing voice within the IDP
	Train staff and implement a Housing Needs Register
Scale up delivery of subsidized housing so that the majority have access to affordable services and quality environment by 2030	Engage social welfare / SPU to cater for child headed households, orphans and war veterans
	Investigate other required housing typologies like social housing, flats and semi-detached housing
	Undertake annual Strategic planning that includes an environment analysis to inform strategic priorities
	Provision of housing and related services to approximately 38 580 rural households and informal households by 2050.
	Credible project pipeline:
	<ul style="list-style-type: none"> Install project tracking tool, Train staff on the use thereof, Collect and input all the information from the relevant sources including important sections in the municipality, the district and the ECDoHS. All the additional projects or changes in status and information of existing entered and quarterly report for management and council. Informed annual review reports. To plan new projects against sustainability criteria To submit project applications to the Province for funding approval and technical support
	Land and land packaging
	<ul style="list-style-type: none"> Finalize land audit and feasibilities studies to establish land pipeline for housing development Secure Land, Municipal, state (undertake feasibilities and prepare business plans for identified land on offer from Provincial Government), land reform Speed up process of land transfer from government Identify different types of housing typologies

	<ul style="list-style-type: none"> Package land, town planning etc.
	Infrastructure <ul style="list-style-type: none"> Initiate processes to prioritise and align infrastructure development to housing delivery programme. Ensure availability of bulk services for all housing projects.
	ISRHDP Programme <ul style="list-style-type: none"> Use results of the housing voice and Housing Needs Register exercise to inform the development of a ISRHDP programme that delivers the relevant supply in terms of basic infrastructure, top structure and tenure
	Project development and management <ul style="list-style-type: none"> To package projects, top structure, procurement of contractors and construction implementation. This needs to place high priority on rectification and blocked projects. To provide for project management of current running and rectification projects to ensure good quality and timely delivery
To build a suitably structured housing unit to meet the requirements of the municipal housing delivery mandate	<ul style="list-style-type: none"> Develop and implement systems, policies, processes, procedures, documents and forms Resource the housing unit
To formalize the required institutional structures to support the Municipality in meeting its housing delivery targets	Strengthen internal and external partnerships required by the municipality to plan, facilitate, and where relevant implement, the necessary housing development to meet the demand in the area

Expression of Housing Demand

Deliverable	Key activity	Timeframe			Responsibility	Cost
		14	15	16		
Housing Voice	Develop methodology and instruments as per Blue Book	Jan			ECDHS	
	Identify community engagement staff and conduct training for both staff and ward committees/ councilors	Jan			ECDHS and Municipality	
	Conduct housing voice		Mar		Municipality	
	Statistical analysis and report		May		ECDHS and Municipality	
	Use to inform planning		Jun		Municipality	
Housing Needs Register	Upload system and tools and audit instruments		Jun		ECDHS and Municipality	
	Conduct training on the use thereof		July		ECDHS	
	Conduct the audits		Aug		Municipality	
	Capture analyze and produce reports of the results		Jan		ECDHS	
	Maintain database by putting a system in place that will ensure that applicants update their information on a quarterly basis		Feb		ECDHS and Municipality	
	Produce reports that inform the development of housing programmes		Mar		ECDHS and Municipality	
Child headed households and Veterans	Engage Social Welfare / SPU to cater for child headed and orphans – partnership arrangement for foster		Mar		ECDHS and Municipality	

	homes using the institutional subsidy programme					
	Identify where child headed households are located					

Scale of service delivery of subsidized housing to demand

Deliverable	Key activity	Timeframe			Responsibility	Cost
		14	15	16		
Strategic planning:						
Annual environment analysis in order to review and revise annual housing sector plan / aligned with IDP Review	Consider: Report on housing demand from housing voice and Housing Needs Register Supply report from pipeline of projects Integration report		Apr		Municipality	
Plan for emergency housing	Collect information on disaster risk in the Municipal area (Provincial Disaster Management Plan		July		Municipality	

	preparation underway) and establish appropriate systems and networks to respond to potential disasters.					
Developed localised policies to create a more enabling environment and to manage the mushrooming of inadequate housing	Local Town planning dispensation Localised policy to address tenure related to commonage ISRHDP policy Informal settlement strategy		Oct		Municipality	
Project pipeline:						
Installation of designed data base system that holds the integrated project pipeline	Upload tracking tool for the project pipeline			Jan	ECDHS	
Trained staff able to use and update.	Training of relevant staff in the municipality to use and update the system.			Feb	ECDHS	
Populated pipeline with all information up to date and verified.	Collect and input all the information from the relevant sources including importantly sections in the municipality, the district and the ECDHS			Mar	ECDHS with municipality.	
Quarterly updates and annual review report	All the additional projects or changes in status and information of existing entered and quarterly report for management and council. Informed annual review reports.			Oct	Municipality	
ISRHDP Strategy:						
Proposal for development of a rural strategy with budget	Prepare proposal for education the information gathering, analysis and strategy			Feb	Municipality in conjunction with Province	

Internal or external people appointed to carry out work	The selection of the right team to undertake the work		Mar		Municipality in conjunction with Province	
Baseline information.	Collection of all existing relevant information on the context, nature and location of rural housing, priority interventions re tenure, infrastructure and top structure for all key stakeholders.		Jul		Selected Internal or external team	
Key stakeholder feedback and direction on baseline information	Workshop of key stakeholders to discuss baseline information, its accuracy, relevancy and identify gaps		Aug		Stakeholders and Selected Team	
Further information gathered and analysis and initial strategy.	To fill the gaps and to proceed to defining a draft strategy from analysis of information gathered through desktop or informant interviews.		Oct		Selected team	
Stakeholder Input into Strategy	Workshop to present and discuss the info, analysis and draft strategy.		Oct		Stakeholders and Selected Team	
Strategy and linkage to municipal and provincial budget and MTEF.	From the workshop contributions finalize the strategy but link with available resource streams.			Jan	Selected team.	
Strategy inputted into IDP and reviewed annually.	The strategy integrated into the Housing chapter and linkage back to municipal budget and MTEF.			Jan	Municipal Housing Section	
Land for housing development	Undertake land feasibilities, procurement of suitable parcels, including land identified by Province for transfer to Municipality	Mar	On-going		Housing officer with ECDHS	
Preparation of identified priority projects for financing and	Co-ordination of the preparation of the projects: - Land	Mar	On-going		Housing officer with ECDHS	

implementation – including rectification and blocked projects.	- Land preparation and packaging - Initial design - Beneficiary identification - Scope of work (rectification and blocked) - Finance packaging - Preparation of tendering etc.					
Properly managed implementation of financed projects.	Management of the technical service providers in ensuring that projects are delivered on time, to quality and within cost. Carry out effective community liaison and consultation.	Feb	On-going		Housing officer with ECDHS	
Monitoring and Evaluation Framework	Drafting of monitoring and evaluation framework, The framework to be integrated into the Housing chapter.		Jan		Housing officer with ECDHS	
Formation of Project Steering Committees to ensure the collaboration of developers, ward committees and councilors in the speedy execution of projects.	Project Steering Committees to be formed for all housing projects comprising ward committee, councilor and local stakeholders. Submit project reports to the Housing Department		Jan		Housing officer with ECDHS	

To build suitably structured housing unit in order to meet housing mandate

Deliverable	Key activity	Timeframe			Responsibility	Cost
		14	15	16		
Development of housing unit	Development of Job descriptions, Approval of structure, Procurement of budget, Recruitment, orientation		Jan		Province support with Municipality	
Development of internal operational policies and procedures	Develop operations procedures manual together with standardized documents and forms		Jun		Province support with Municipality	
Identification and procurement of resources	Approval and procurement of required other resources, computers and software, equipment, furniture etc.		Jun		Municipality	
Development and implementation of performance management system	Link performance measures to job description outputs and housing delivery programme, performance agreement with staff and regular monitoring of performance			Jan	Province support with Municipality	

To formalize the required institutional structures to support municipality in meeting its housing targets

Deliverable	Key activity	Timeframe			Responsibility	Cost
		14	15	16		
Identify Key Potential Partners	Internal workshop Identify key roles and responsibilities and which are key stakeholders undertake these and present status of relationship.	Jan			Municipal management	
Define Approach to strengthening Partnerships	Based on roles and responsibilities and key potential partners - defining the type of relationship and approach negotiating this.	Mar			Municipal management	
Negotiate basis of co-operation	Meeting with individual key stakeholders to discuss bases of co-operation and action plan for co-operation over the next 2 years.	Jun			Municipal management	
Agreed MOU on Co-operation	Preparation of MOU and action plan based on above and ready for signing between partners.	Jul			Municipal management	
Working together	Implementing the action plan around municipal priorities.	Continuous			Municipal officials and partner officials	

Although Housing is not a funded mandate at the local government level, municipalities have a very important role in the delivery of Housing. Municipalities need to plan for Housing and include it in their IDPs. Housing is closely linked to many other services which are the responsibility of the municipality, such as the delivery of water, electricity and infrastructure. One cannot deliver houses without these services and vice versa.

The Department of Human Settlements is responsible for the provisioning of adequate housing opportunities for all residents of KSDLM and performs the following functions:

- Informal settlement and land invasion management
- Leases, Sales and transfers of immovable
- Informal settlement upgrading
- Community Participation Management
- Housing Provision Project Management
- Community Residential Programme (CRUs)
- Greenfields Development Programme

Summary of Human Settlements initiatives under implementation.

- Accreditation of KSDLM: The municipality is being considered for level 1 and level 2 accreditation. Level 1 will allow the municipality to manage beneficiary lists while level 2 allows the municipality to do planning and decide which projects are to be prioritised. Municipality has completed an assessment process which was conducted by Eastern Cape Human Settlements. The assessment report has highlighted capacity gaps within the municipality which must be addressed within a short space of time
- Multi-Purpose Community Centres (MPCCs): Two MPCCs have been constructed in Ngangelizwe and Mqanduli. The facilities cater for indoor sports codes for the youth, a hall and offices for use by community organisations.

- Informal Settlement Upgrading: 6600 units have undergone a formalisation process and have been provided interim services. Phase two of the project will soon kick start to cater for the units that were not part of phase 1. The residents of the informal settlements that are not targeted for upgrading will be integrated in the new housing developments.
- Transfer of ownership of the old houses: Old Ngangelizwe properties are in the process of being transferred. Title Deeds will be handed over for the Ngangelizwe properties.
- Mixed developments: These are the new projects implemented under the BNG policy. An implementing Agent was appointed on a turnkey basis to implement the projects.

Land Needs and Human Settlements

The Eastern Cape Multi-Year Housing Development Plan (2009/10-2014/15) states that gaining access to developable land in good localities for housing development, especially for low-cost housing, has proven to be a major challenge in the province. Land values are highest where development is desirable and the available funding does not cover the acquisition of such prime land for low cost housing.

This situation, together with long land release and transfer-procedures in land acquisition are major concerns. The municipality is currently facing challenges in accessing land available for housing development in the areas where they wanted it because of the land claims and availability of bulk infrastructure. As indicated above, the availability of well-located and appropriate land for low-income housing development is a priority issue in the municipality, as about 206 815 households currently live in inadequate housing that is either badly located or areas often without secure tenure. Land on the periphery is cheaper and therefore “affordable” for low-income development, but such areas are far removed from places of employment, and economic, social and transport opportunities, and inhabitants are therefore subjected to high transport costs and unnecessarily long travelling times. In addition to this, authorities are subjected to high costs for the provision of bulk services and residential areas continue to follow the legacy of apartheid segregation on the basis of social class and status.

The information included in table 11 gives a clear indication on location and ownership of land in each of the areas, size of the land and status in term of development are shown on the attached plan indicated by the corresponding numbers.

Location and Ownership of Land

LOCATION	OWNERSHIP	SIZE	SERVICES	CURRENT STATUS OF LAND	LAND CLAIM	MASTER PLAN
MOUNT PLEASANT FARM	Government	(±100Ha)	No services	Partially developed (ECATU)	Land is currently under claim	Designated for housing
REMAINDER OF ERF 936	Government	(14040) (±60Ha)	Partially serviced	Partially developed (Fort Gale Motors, Thubelitsha Rehab, Community School, Police Camp College, part of Golf Course)	No land claim	Designated for housing
LOT D	Government	(±20Ha)	Partially serviced	Partially developed (Prison)	No land claim	Designated for housing
PORTION OF LOT C	Government	(±20Ha)	Not serviced	Partially developed (Timber mill)	Successfully claimed by the Highbury community	Designated for housing
HILLCREST TOWNSHIP	ECDC	(±20Ha)	Service available	Investigation underway for possible densification	No land claim	Designated for housing
ERF 934 NDULI NATURE RESERVE	Municipality-Proclaimed Nature Reserve	(±80Ha)	No services	Subject of feasibility study for potential development of environmentally friendly development (i.e. Tourism)	No land claim	Nature Reserve
REMAINDER OF ERF 912 NEXT TO ESKOM)	Municipality	(±9 - 15Ha)	Serviced although it needs to be extended	Agricultural leases (its highly possible that the leases have expired)	The whole of rem of Erf 912 municipal commonage land is under claim	Agriculture

LOCATION	OWNERSHIP	SIZE	SERVICES	CURRENT STATUS OF LAND	LAND CLAIM	MASTER PLAN
REMAINDER OF ERF 912 (Land below Erf)767 (High School Fields)	Municipality- although has expropriation order over it in favour of railways	(±5 Ha)	Serviced	Underutilized and is being used as a dumping site by the surrounding residents	No land claim	Designated for housing
REMAINDER OF ERF 912 (Land adjacent to Southernwood)	Municipality	(±10Ha)	Serviced	Underutilized and most ready for development	Land Claim	Designated for housing
REMAINDER OF ERF 912(Mission Ext.)	Municipality	(±2Ha)	Serviced	Approved township layout	Land Claim	Development
REMAINDER OF ERF 912(New Brighton Ext.)	Municipality	(± 2Ha)	Serviced	Approved General Plan.	The whole of rem of Erf 912 municipal commonage land is under claim	Designated for housing
ERF 886	Railways	(±8Ha)	Serviced	According to Town Planning Scheme is zoned as railway. The land is suitable for housing development but the challenge is access.	No claim	Designated for housing
ERF 923	Railway/State, next to industrial area	(±5Ha)	Serviced	Currently underutilized	Under claim	Designated for housing

LOCATION	OWNERSHIP	SIZE	SERVICES	CURRENT STATUS OF LAND	LAND CLAIM	MASTER PLAN
Smallholdings Southernwood and Vulindlela	Privately owned	(±25Ha)	Mostly serviced, even though there are sewer challenges	Some sites are vacant while others are utilized for residential, Agriculture, School and farming purposes	No claim	Designated for housing
NCAMBEDLANA FARMS	Privately Owned	(±300Ha)	Partially Serviced	The land is partially zoned for agriculture and partially housing	Possible land claim	Agriculture
PORTION REMAINDER OF ERF 937	Municipality	(±30Ha)	Not serviced	Underutilized	Possible land claim	Designated for housing
ERVEN 920,976 AND 1002	Government	(±30ha)	Not serviced	Old Ministerial complex	No land claim	Designated for housing
PORTION REMAINDER ERF 937 (MAYDENE FARM EXT.)	Municipal	(±20Ha)	Not serviced	Underutilized	No land claim	Designated for housing
REMAINDER OF ERF 34 (OLD PAYNE EAST AND WEST FARM)	Government	(±20Ha)	Not serviced	Underutilized	No land claim	Designated for housing

Housing Stock (Trends)

Massive strides in the delivery of low cost housing to the poor and the vulnerable households have taken place over the past few years in the municipality, as can be seen from Table 12 below. There has been an increase of approximately 13 147 units between 2001 and 2007. In terms of adequate housing the increase was only 2 343, whilst a 10 801 increase in inadequate housing units was recorded.

Table 1: Housing stock (2001 and 2007) (SSA, Census 2001 & CS 2007)

Municipality	Adequate Housing		Inadequate Housing		Total	
	2001	2007	2001	2007	2001	2007
KSD	35 082	37 386	54 383	55 997	89 465	93 387

Status of land claims

There is a long outstanding land claim dispute involving the land rights restitution claimants of KwaLindile and Zimbane villages adjacent to the city of Mthatha who are claiming a vast amount of land in and around the city of Mthatha, especially the remainder of Erf 912 Mthatha. These are not the only land claims in the municipality; there are others as well in other areas. The municipality has formed a Land Claims Task Teams which includes the Rural Development and Regional Commissioner, and the KwaLindile and Zimbane Land Claimants Representatives. The Task Team is negotiating an out of court settlement towards the resolution of the claim. A number of engagements have been held and a consideration for settlement has been under discussion.

Identified challenges: -

- Current backlogs, estimated to be 16 385 for urban and 44 677 for rural areas.

- Lack of proactive planning for housing and the inability to access funds and therefore unable to provide the required supporting infrastructure.
- Lack of human capacity within the municipality to deal with housing issues often leads to inability to speed housing development.
- The slow process of housing delivery commonly leads to the development of informal settlements
- Recognition of Housing Section is not effective within KSDM- for example the employment of enough personnel to carry out housing delivery is not a priority.
- Unavailability of land- the greater part of KSDM is under claim and it does not seem to be taken seriously and urgently by the management and the politicians.
- Scattered unserviced pieces of land within Mthatha.
- Land invasion- a greater portion of land in Mthatha is invaded and it becomes difficult to expand the CBD as well as housing delivery can only happen at the outskirts of town.
- Prime land with informal decent houses where services are minimal.
- Ineffective use of by-laws- shacks and containers are scattered all over the place.
- Lack of beneficiary database due to negligence by decision maker

1.4 Environmental Issues

xiv. Rainfall

Most of KSD areas receives an annual rainfall of above 800 mm. Rainfall decreases steadily inland and is particularly low in major river valley. An appreciable amount of rain falls in the winter months in the coastal areas but inland areas receive 80% or more of their precipitation in the 6 months from October to March (81% at Mthatha).

xv. Temperature

Temperature range from a mean minimum of 14.3-19.8 °C in January and 1.8-13.4 °C in July to a mean maximum of 14.3-25.3 °C in January and 19.5-21.4 °C in July.

xvi. Air quality

Air Quality management in KSD Municipality has recently undergone a major revision, with a shift from the source based air quality management approach under the Atmosphere Pollution Prevention Act (No. 45 of 1965) (APPA) to an ambient based approach under the National Environmental Management: Air Quality Act (No. 39 of 2004(AQA)). This change in Air Quality management approach has also seen as change in the responsibility for Air Quality management being developed down from the national level to the local authority level (district and metropolitan municipalities).

Under the new Act controlling Air Quality each Municipality is responsible for the development and implementation Air of Air Quality Management Plan as part of their Integrated Development Plan (IDP). This function is to be carried by the OR Tambo District Municipality as this is a district function. In terms of mitigation, air quality issues are covered in OR Tambo Air Quality Management Plan as mitigation measures to air pollution.

The key issues related to air pollution are:

- Burning of tyres during winter season
- The public transport sectors (taxis, trucking, buses) are responsible for emitting pollutants in the form of exhaust fumes
- Uncontrolled, extensive and unnecessary burning of grasslands
- Lack of public awareness of Air Quality issues and legislated pollution prevention
- Lack of appropriately skilled monitoring and enforcement

KSDM has no statistics in pollution levels because there's no big industry in the municipality. However the greenhouse emissions are measured only by estimating CO₂ emissions from energy carriers e.g. motor vehicles, paraffin, coal and fire wood.

State of energy report was carried out by SALGA in KSDM to measure the quantity of energy used, greenhouse emissions and to determine alternative energy technologies that can be used in KSDM.

xvii. Vegetation

The environment of the KSD area has a wide range of habitats, including upland and coastal grassland, afro-montane and coastal forest, valley thicket, thorny bushveld, coastal and marine habitats. Two components are of particular interest. The coastal forests, bushveld and grassland of the Bomvu area has been identified as a "centre of "Aloe" plant. This terrestrial biodiversity is matched by extremely rich marine biodiversity, also with a large number of endemic fish species. The Wild Coast has been identified as one of WWF International's Global 200 Eco-regions of Global Significance.

Lack of awareness by the local population of the ecological importance of this asset requires aggressive awareness campaign.

xviii. Geology

KSD is underlain by a variety of lithologies (rock types) representing a considerable time span. As a broad generalization the area is underlain by sedimentary rocks (sandstones and shales), through which magmas have intruded to form dolerite dykes and sills. The dolerite dykes represent the conduits that fed the lavas that form the higher lying areas of the Drakensberg. Kimberlites, diatremes and other centres of volcanic activity also occur at a number of localities within KSD LM.

The underlying geology and geomorphology of the region are closely tied to the formation of soils. In general, soils are arable with much of the more productive soils currently under cultivation. There are no mineral resources of major economic scale in KSDLM, however crush stone and building sand are locally important and both are a cause of conflict over legalities and control (SDF).

xix. Land Capability

Land Capability is determined by the collective effects of soil, terrain and climate features. It indicates the most intensive long-term and sustainable use of land for rain-fed agriculture and at the same time highlights the permanent limitations associated with the different land use classes.

xx. Environment

The Provincial Department of Economic Development; Environmental Affairs and Tourism is responsible for environmental management with a representative from the National Departments residing within the District in order to provide support while the district responsible for air quality and

waste management. Direct support on Environmental and Coastal Management is provided by Department of Economic Development, Environmental Affairs & Tourism, National Development of Environmental Affairs, Premiers office and OR Tambo District Municipality. A new unit for Environmental Management, Coastal Management and Biodiversity has been included in the new organizational structure for implementation of environmental programmes.

xxi. **Biodiversity Conservation, Water & Terrestrial**

There are 2 protected areas in the KSDLM, namely Nduli and Luchaba Nature Reserve, thicket bush veld, grassland and wetlands. KSD Municipality is participating in Environmental Protection and Infrastructure Programmes funded by the Department of Environmental Affairs: The projects include the following:

- Land Rehabilitation & Land Care Programme
- People and Parks Programme
- Working for Wetlands Programme
- Working for Water Programme

xxii. **Biodiversity Threats**

The Region's biodiversity is threatened by alien invasive plants in most areas. Overgrazing and clearing of vegetation creating soil erosion in the vastly rural areas. Other threats include the following:-

- Illegal sand mining on the dune forest
- Uncontrolled harvesting of natural resources
- Human induced climate change
- Illegal Dumping
- Veld Fires
- Environmental Pollution from Source to Sea

xxiii. **Conservation of fauna in existing areas; Nduli Nature Reserve is crucial**

With respect to water resources, Mthatha dam currently is challenged with sedimentation caused by degradation of vegetation around the dam area.

KSD LM has streams and a number of wetlands in the area such as Ngqungqu, Mbhashe and Qunu.

Mthatha River is however threatened by sewer spillages, illegal dumping and alien infestation.

National Department of Environmental Affairs & Department of Water Affairs are supporting KSDM in clearing of alien species and removal of water hyacinth through EPWP. This project is threatened by sewer spillages to Mthatha River.

xxiv. **Addressing Environmental Challenges**

- Environmental awareness and capacity building
- Improved enforcement
- Job specific training (e.g. identification of hazardous waste)
- Establishment of the environment unit and appointment of waste management officer as required by the Act
- Funding environmental related projects

xxv. **Environmental Awareness Projects**

- Wetlands month in February- yearly
- Water week in March – yearly
- Environmental week in June- yearly
- Arbor week in September- yearly
- Marine week in October
- Weed buster week in December

xxvi. **Environmental Opportunities**

- Scenic beauty
- Endemic species

xxvii. **Development of Environmental Management Tools**

- Waste Management and Environmental Management By-Laws
- Coastal management Plans
- Energy Efficiency & Climate Change Strategy
- Biodiversity Management Plans

xxviii. **Marine and Coastal Management**

KSD Municipality coastal area covers Coffee Bay, part of Mthatha Mouth & Hole in the Wall. Coastal Management is done by KSD LM with the support of the District Municipality & Department of Environmental Affairs through Working for the Coast Programme. The coastal area is derived as the Tourism Node of the Municipality and the area has coastal forests, dune and mangrove forests as well as a pristine wild coast. Coastal areas are however threatened by sea level rises, illegal sand mining, unmanaged fishing activities and wild fires. 2 Cooperatives for Life Saving developed by the municipality and are appointed on seasonal basis. The department of Environmental Affairs has funded a Coastal Management Programme through EPWP which covers education and awareness, protection and cleaning of the coastal area. The Municipality has developed the KwaTshezi Development Plan trying to curb the illegal developments along the coast. The plan also assisted in identifying areas where development can take place. A Launch site has been established in Hole in the Wall

xxix. **Coastal Threats**

- Illegal coastal developments
- Illegal sand mining
- Climate change
- Inadequate sanitation and sewer leakages to water.
- Lack of fishing permits

- Pollution from Source to Sea

xxx. **Heritage and Cultural**

Hole in the wall is seen as national heritage site but needs to be declared and branded. Also Hole-in-the Wall feature and Nelson Mandela Museum contributes to the heritage of the area. The municipality also lies along pristine wild coast. Heritage management plan (municipality may generate profit) must be compiled with folklore stories also built around the identified sites (Benefits related to Mapunguwe legacy).

Threats:

- The heritage sites are not clearly identified
- There is also proper control

xxxi. **Land Ownership/Tenure**

Generally, most of the land within the KSD Municipality lies in the rural areas, and the ownership of this land is vested within the government, with rights of use vested in terms of an administrative system under the tribal authority. Under this system each family is allocated a piece of land which is used for subsistence farming to provide for the family with the minimum of risk and little labour input and production. This has negative effects on the consolidation and protection of cropland and grazing land, which are physical pre-requisites to improved land use and development. The Department of Rural Development & Agrarian Reform proposes that under these circumstances this necessitates changes in land ownership pattern, the key being the redistribution process based on the allocation criteria and funding mechanisms, which can accommodate small, medium and large farming enterprises.

The rural areas also have large tracts of undeveloped land, which poses a challenge to any development requiring infrastructure. The existing pattern of land follows widespread land use patterns that result in large distances between facilities and services.

Land ownership in the KSD municipality vests in the following main structures: government owned, tribal authorities, and the local municipality. Government through the Department of Land Affairs is the main custodian of communal land.

Within the two urban entities, the land ownership is vested with the local authority, private (commercial and residential), the government and Eastern Cape Development Corporation (ECDC-mainly industrial premises) the KSD Municipality faces a huge challenge of land claims. Moreover, Mthatha Land Claim Committee has been formulated to negotiate with the claimants in order to resolve and fast track development within KSD.

xxxii. Settlement Pattern

KSD municipality has a predominantly rural landscape with a large proportion of people residing in tribal villages and traditional homes (See Table below). Mthatha is the regional urban centre of the district and is experiencing in-urban migration creating greater pressures on its infrastructure and facilities.

Table: Comparison with other LMs in the District (ORTDM Table)

Municipality Name	Urban		Rural	Total
	Formal	Informal		
Ingquza Hill	1,404	235	51,860	53,499
Port St Johns	1,919	410	36,580	38,909
Nyandeni	2,528	0	60,483	63,011
Mhontlo	1,946	140	47,675	49,761
King Sabatha Dalindyebo	17,720	5,339	62,338	85,397
OR Tambo DM	25,517	6,124	258,936	290,577

xxxiii. Land Restitution

The KSD municipality has a number of land claims mainly in the area around Mthatha that is suitable for urban development in the remainder of erf 912.

xxxiv. Environmental Degradation

The degradation of the environment in the greater OR Tambo DM is of concern, especially the extent and severity of the soil erosion. This impact on the economic viability and possible uses of the land. Environmental degradation, soil erosion in particular, is a major concern in the area. This imposes a number of limitations on the possible uses of land, and hence the economy of the area (**source ORTDM**). In KSD Municipality the mostly affected areas are ward 31, ward 16 & ward 15. However, a Land Management Project is registered to the Department of Environmental Affairs for funding for the 3 identified wards.

xxxv. Climate Change

Climate Change is regarded by many as the most significant environmental challenge in our area. Climate Change is defined by the United Nations Framework Convention on Climate Change (UNFCCC) as “a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability over comparable time periods”. Global Warming has been blamed as that human activity which has had the most influential impact on climate change. Global warming is defined by the UNFCCC as “the increase in the earth’s temperature, in part due to emissions of greenhouse gases (GHG’s) associated with human activities such as burning fossil fuels, biomass burning, cement manufacture, cow and sheep rearing, deforestation and other land-use changes.”

There is now empirical evidence to suggest that climate change is a reality and there are many global examples or trends which all depict a change in climate. Anthropogenic climate change is already occurring and many natural systems are being affected.

Recent studies within South Africa which involve climate change modelling and associated projections all show conclusively that the symptoms of climate change in South Africa are likely to include:

- Higher temperatures
- Altered rainfall patterns
- More frequent or intense extreme weather events including heat-waves, droughts, storms and floods
- Rising sea levels

Planning for Climate Change takes on two paradigms – climate change mitigation and climate change adaptation. Climate Change Mitigation involves those activities that assist in reducing the rate of change of the climate. This is a global responsibility and is aimed at limiting the generation of greenhouse gases. Climate Change Adaptation refers to those activities which we undertake in response to a changing climate. Further details on planning guidance to the KSD Municipality in relation to Climate Change Adaptation can be sourced from the KSD and O.R Tambo DM SDF.

Due to current drastic climate changes:

- The region has had to adapt to current new phenomenon like army worms in Agricultural Crop production, floods and droughts. Impacts of these changes include changing of seasons for planting.
- Education and awareness campaigns need to be conducted to educate communities on environmental impacts of climatic changes. Environmental assets for KSD are not clearly identified. Research to be done (hole in the wall not declared as heritage site).
- An Environmental Response Strategy is needed to be done by Community Services and Local Economic Development directorates.

xxxvi. Environmental Management

The Provincial Department of Economic Development; Environmental Affairs and Tourism is responsible for environmental management. Direct support on Environmental and Coastal Management is provided by Department of Economic Development, Environmental Affairs & Tourism, National Development of Environmental Affairs, Premiers office and OR Tambo District Municipality

This refers to the sustainable use of the natural environment and the protection/conservation of environmentally sensitive areas, which form a unique endowment in the KSD area and this is seen as the basis of the attraction of the area for tourism development (coastal resorts etc.). As it is acknowledged that the economy is essentially land-based (i.e. reliant on the quality of the environment and land-based resources for the development of a tourism industry as well as the development of the agriculture and forestry sectors and related value chains), environmental management is a critical activity in the municipality.

Some of the major challenges experienced by KSD Municipality in Environmental Management:-

- Poor access to refuse removal especially in peri urban and rural areas.
- Illegal coastal developments threatening coastal ecosystem & tourism development, and the municipality have no Coastal Management Plan
- Alien invasive plants along Mthatha River
- Water and soil pollution as a result of sewage leakages and direct sewage to the river
- Increase in illegal dumping in the urban and semi urban areas
- Green House Gasses from energy carriers i.e. paraffin, fuel, fire wood, tyre burning and veld fires

- Integration of environmental principles (National Environmental Management Act 107 of 1998 section 2) into municipal planning.

LIST OF NATURE SERVICES/ENVIRONMENTALLY SENSITIVE AREAS/PROTECTED AREAS

DISTRICT AREA/MUNICIPALITY	LOCATION	CHALLENGES	COMMENTS
Nduli and Luchaba Nature reserve	KSD	Threatened by surrounding community	Managed by ECPTA

Planned Environmental Projects

- i) Street Cleaning and Greening in Mthatha, Mqanduli & Coffee Bay (wards 1-13, 29 & 24)
- ii) Development of Buy Back centers in Mthatha East & Mthatha West (wards 12 & 2)
- iii) Development of Two Waste Transfer stations in Coffee Bay and Mthatha Old Disposal site (ward 24 & 4).
- iv) Development of new landfill site
- v) Mthatha River Health
- vi) Implementation of Integrated Waste Management Plan
- vii) Land rehabilitation in all wards
- viii) Mass Youth training and Employment
- ix) Clearing of illegal dumps



CHAPTER TWO: SITUATIONAL ANALYSIS

2. KEY PERFORMANCE AREAS OF THE KING SABATA DALINDYEBO MUNICIPALITY

King Sabata Dalindyebo Municipality has crafted its situational analysis along the five Key Performance Areas that are in line with Section 26 (6) OF Municipal Systems Act No. 32 of 2000 which deals with Performance Management System, as follows:

- 1. Basic Service Delivery and Infrastructure Development**
- 2. Municipal Institutional Development and Transformation**
- 3. Local Economic Development**
- 4. Municipal Financial Viability and Management**
- 5. Good Governance and Public Participation**

2.1 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Roads and storm water management

Construction and maintenance of roads is the mandate of KSD infrastructure department, Department of Roads and Public Works, South African National Roads Agency Limited (SANRAL) and the District municipality. The infrastructure department is divided into two (2) sections, operations and maintenance as well as capital projects section. A Road Maintenance plan has been developed but it is not yet adopted by Council. It sets timeframes for which wards will be visited for road maintenance.

Only 2% of the prioritised roads (1km of the total network length) have been visually assessed. The results of the visual assessment have been used on a pro rata basis to quantify the scope of work and provide first order estimates. The road repair, rehabilitation and reconstruction Programme does not include any new roads as would be identified in the Integrated Transport Plan (ITP). As further funds become available, further emergency repair programmes as well as rehabilitation and reconstruction programmes in terms of the findings of the Road Management System, will be implemented.

Municipal Infrastructure Grant (MIG) Funding is accessed through the development of a three year Capital Plan. An operations and maintenance plan has been developed for

maintaining all access roads within the KSD. Approximately 93km of roads have been planned for rehabilitation from the MIG funds. The Presidential Intervention enabled Partnerships with the following:-

- Independent Electoral commission (LGTA) funds maintenance of access roads to the voting stations.
- SANRAL funds the rehabilitation of N2 and the R61
- Provincial government ensured development of Taxi Ranks, One way and reviving of Mthatha urban roads

The rural road network of the municipality is very wide spread and grossly dilapidated. Some gravel roads have been built in order to meet the infrastructure requirements of the rural population and promoting local economic development and social infrastructure. A lot of these roads become severely eroded due to lack of maintenance and minimum design standards prescribed. This resulted in increased sediment loads and contributes to the deterioration of water and biological resources. The result is that improvement of infrastructure to meet the needs of the population is contributing to the degradation of the environment. The location and spacing of culverts does not seem to take into consideration the volume of runoff and some of the culverts drain into agricultural land. However, it should be noted that the uncontrolled settlement patterns continue to pose challenges when implementing storm water management in the rural areas.

In addition to the poor management of the road network, a further prime cause of road network degradation is the lack of adequate road storm water drainage. Should effort and resources be spent on road repair and upgrade, it is essential to implement concomitant Storm Water Management System.

KSD has commissioned the development of the formal integrated Storm water Management System or Road maintenance Plan through the service level agreement formalized with the Municipal Infrastructure Support Agent (MISA). This Maintenance Plan shall be intimately integrated with the Road Management System which is essential for the adequate preservation of the revitalized road network. The existing IITP (2004) has not been implemented and, is currently outdated. To accommodate the traffic needs, the IITP must be kept current and, simultaneously, inform the Road Management System. Currently a Rural Integrated Transport Plan is being developed to address the transport and mobility issues in town, through the Presidential Intervention and will be a basis for road upgrade.

A proposal was made but not tested other solutions for the programme that was developed which sets a three (3) year programme of reducing the length of roads which are in and/or very poor condition by 50% whilst addressing all the roads that are in a fair condition to ensure that they are preserved in a reasonable condition. A road repair, rehabilitation and construction programme has been formulated. Since only 0.005 % of the total road network has been visually assessed, the results of this assessment have been determined on a pro-rata basis to provide a first order estimate of the road repair, rehabilitation and reconstruction programme for the next 3 years. It is emphasized that until the updated IITP and the Road and Storm water Management Systems are in place so that the scope of work can be more accurately quantified; only first order estimates can be provided.

According to KSD Presidential Intervention Progress Update, the following form the main problem statements for access road provision:-

- 90 % of Mthatha surfaced road has deteriorated beyond pothole repair requirements
- Pavement maintainance is very poor in the CBD and constant disturbance and poorly communicated of underground piping repairs by OR Tambo District which are left open and dangerous to communities
- Roads do not cater for the large number of pedestrians, especially in the CBD
- Heavy congestion in the CBD

A study was done in 2010 to indicate the severity of the conditions of the CBD, suburbs and township roads. Pothole Repair includes repair of significant potholes and badly damaged road sections, resealing (crack sealing) of road surfaces where viable, reinstatement of associated road marking, signage and furniture and the cleaning and repair of associated road drainage where necessary. A proposal was made but not tested with other solutions for the programme that was developed which sets

Challenges regarding infrastructure include: -

- Shortage of funds for capital projects to decrease the high back log of infrastructure services.
- Lack of maintenance of roads resulting in pot holes
- Lack of proper monitoring of road maintenance projects
- Faded road markings, limited road signs and lawlessness towards traffic rules contribute to congestion
- Robots need to be synchronized to avoid congestion
- Trucks passing through the CBD exacerbate traffic congestion especially during pick hours.
- Damaged and dangerous sidewalks and roads
- CCTVs at robot intersections needs to be revived to catch law breakers
- Lack of visibility of traffic officers especially during peak hours
- Inadequate storm water pipes, larger pipes are required
- Impact of poor waste management and storm water systems results in blocked storm water drains and flooded streets
- Aged and un-maintained burst pipes and blocked drains sometimes cause street flooding.
- Infrastructure at transport interchanges is in poor condition with inadequate maintenance
- Encroachment of pavement by both shops and hawkers.

Public Transport

a) Buses and taxes

The department of transport is responsible for the coordination of operation of buses and taxes with the KSD LM. The taxes and buses are registered by the department. The vehicles are tested for road worthiness, however, the owners of the vehicles are not cooperating well as a result there are taxis and buses that are not road worthy but are in operation on a daily basis.

Challenges: -

- Taxis and buses that are not road worthy
- Bad conditions of roads affect the wear and tear of vehicles
- The Taxi Association lacks a management structure due to internal conflicts.

b) Scholar Transport

The Department of transport is responsible for monitoring and funding of the scholar transport system. Approximately 107 schools in O. R. Tambo are benefiting from this programme. Challenge with this programme is that vehicles tested for road worthy are not used to transport the children.

c) Railways

The major infrastructure project in the Municipality is the Kei Rail initiative, aimed at revitalizing the rail line from Mthatha to East London. Substantial investment has been made in re-commissioning this rail line. It is envisaged that this rail line will be the central economic driver underpinning the Kei Development Corridor, i.e. a Developmental Zone running through the Region.

d) Pedestrian transport and pathways

The Vision of 2030 has a clear plan on the use of motor-cycles and other related mode of transport and this plan is budgeted under the projects for Presidential Intervention.

e) Airports

Mthatha Airport is fully functional and compliant with Civil Aviation Authority (CAA) safety standards. Recently there has been a 23 % increase in its passenger flow. Utilisation of the airport has improved and there is now a proposed regular passenger service between Mthatha and Bisho Airports. Mthatha Airport has three scheduled flights a day between Mthatha and Johannesburg by Air Link. A second airline, known as Interlink, is in the process of conducting feasibility studies on the route between Mthatha and Johannesburg. Mthatha airport has been upgraded so that it becomes a more attractive destination for airlines, businessmen and tourists.

3km of 3000 m runway has been constructed to accommodate any large passenger aircraft. In the current upgrading process that includes the constructed of a much bigger fire station that accommodates two big fire engines worth R2.5 million. This will assist in increasing the airport's emergency capacity and improve its grades from four to six. The runway has been extended and upgraded from category 4 to category 7, temporal terminal building is utilized whilst the main terminal building has upgraded to include among others, an extended VIP lounge, and new premises for five car hire companies, curio shops and restaurants. The fact that most passengers travelling to Mthatha are for business purposes means that there is potential opportunity for restaurants and coffee shops at the airport.

The following challenges have been identified: -

- Some portions of land adjacent to the airport has been subdivided and sold to individuals. This results from lack of communication between the municipality and traditional leaders.

f) Future Airport Usage

Discussions and consultations are taking place to get more airlines for the Johannesburg-Mthatha and Mthatha-Durban and establish new other routes. An important goal is to link Port Elizabeth to Mthatha via Bisho Airport with the service geared for faster movement between the three (3) areas.

Energy and Electricity

Currently the urban area Electricity Master plan is being updated by Taylor and Associates to incorporate the future growth requirements of housing programmes, business development and meeting the needs of government departments. The Municipality is also addressing the electrification backlog by connecting 1082 households in Zimbane and Ilitha Township and the project is nearing completion. An investigation was done on the electrification backlog in the Mthatha West area and the Department of Energy was requested for funding for 2000 units to start after the Thornhill Substation's first new transformer has been installed, to cope with the additional load.

The Municipality has started with its upgrading of the network with a loan from the Development Bank of Southern Africa and funding from the Department of Energy. The following projects have started:

- Emergency network upgrade Phase 1 – connecting the CBD to the Hillcrest Substation
- Network upgrade Phase 2 – installing new mini-substations, cables and kiosks in the CBD so as to comply with the National Electricity Regulator of South Africa's safety regulations
- The preparation of the 20 year Electrical Master Plan.
- Sidwadwa Substation – procurement of a new and larger transformer
- Thornhill Substation – procurement of a new and larger transformer as well as new switchgear and protection equipment

Eskom is managing the rural electrification and several new substations are in the process of being constructed in rural areas. The Municipality has implemented an Indigent Policy that places a strain on the resources of the institution, both financially and in terms of the capacity to implement the policy. The Municipality has requested funding to the value of R252 million to upgrade the aging and overloaded electricity network.

Type of energy used for cooking per household: Census 2016

According to KSD Presidential Intervention progresses well to manage the electricity provision:-

- Three sub stations have been fixed
- High voltage distribution are underway
- Regular electrical outages which usually caused frustration with businesses and residents alike are minimised.

The following are some of the challenges regarding electricity supply:-

- Huge electricity infrastructure backlogs
- Project Prioritisation Policy is not available
- The cables and sub-stations are old and some permanently damaged and require total replacement
- Replacement of substation requires huge amounts of budget
- The main substation has been upgraded but old cables still cause problems
- Shortage of funds and human resource capacity
- Provision of electricity in some of the newly built households of ward 31, 19, 28, 18, 9, 32, 5, 6, 10, 11 and 14
- The whole of ward 21 has no electricity
- The communities have high expectations from Eskom as a result, the release of land for construction of substation is delayed.

Ward	Area	Project description
10	Lutshabeni	None
13	Ncamedlana Farms	VIP Sanitation available - not covering the entire village
14	Old and new Lindile, Marhambeni and Dlomo	None
15	Jojweni, Mputhi and Beke	None
18	Julukuku, Malindini, Phingilili, nyibeni and Bityi	None
19	Empa, Lwalweni, Thantseka, Magubu, Madonisi, Buwa,	None
20	Sigoyo, Ngweni, Ntilini, Nongawuza, Ngcendese,	
21	Jongimizi, Mantshayi	
22	All villages	None
23	All villages	None
25	Lower Ngqungqu and Thungwana	None
26	Darabe, Ngcanaseni and gengqe	None
28	Msukeni	None
29	Magombe	None
32	Blekana, Kotishini, New Town, Ntuwe, Chanti, Thafeni and	None
35	Macosa	
	Madzothweni, Lower Ngqwarha, Upper cezu, Sigiba, Ngwevana and Zwelitsha	None
	Lukhwethu	None
	Ludaka, New Rest, Nyandeni, ndisane, Kunene and tyumbu	None

According to KSD Presidential Intervention Progress set to address, the following which form the main problem statements for sanitation provision:-

Development of Trade Effluent Policy to dealt with-

- Untreated sewer effluent which drains into the river and in some cases connected to the storm water drainage system
- Old sewer infrastructure

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- Non-functional pump stations
- Sewer spillages
- High demand vs plant capacity
- Unsettled land claims results in further delays.

Water services

The operational service to deliver water is the responsibility of ORTDM. The Breaking New Ground (BNG) requirements were forwarded to ORTDM and they initiated the new raw water pipeline and water purification upgrade.

The District Municipality developed the WSDP, which was approved by Council. This provides an overview and an assessment of:-

- Existing information on backlogs;
- Current levels of service;
- Operations and maintenance of infrastructure assets;
- Water resource management;
- Water balances and losses; and
- Issues pertaining to contracting and licensing.

Plans to develop a detailed Water Services Development Plan are currently underway, with a call for proposals having been made. In terms of Water Services Provisioning, the ORTDM is responsible for both Water Services Authority and Water Service Provision which includes:-

- Daily operations of water and wastewater works inclusive of the daily monitoring and management of plant performance and compliance with the required quality and performance management systems;
- Maintenance of urban and rural infrastructure;
- General management including administration, financial management, monitoring and reporting;
- Communication and customer relations;
- Operations and maintenance planning;
- Ensuring de-sludging of on-site latrines;

- Safe treatment and disposal of sewage waste;
- On - going and regular testing of water, effluent and sewerage disposal for conditions dangerous to human health and the environment
- Health and safety.

Four Regional Schemes were identified by OR Tambo DM, and feasibility studies were undertaken to investigate the reliability of the identified schemes. One of these is the Southern Scheme (King Sabata Dalindyebo, Nyandeni and parts of Mhlontlo) aimed at optimal utilization of Mthatha Dam for domestic consumption. The study is complete but awaiting abstraction permit from DWA. Further to that, the Coffee-Bay Regional Water Supply under King Sabata Dalindyebo LM, which supplies Coffee-bay and Rural Villages, has been proposed as a Sub-Regional Scheme to be integrated within the Regional Scheme. An amount of approximately R110million has been allocated for the development of the scheme.

Access to water services Stats SA: Census 2016 under demographics shows the percentages of households with access to different sources of water. Approximately 40% of households obtain water from the regional schemes while 31% acquire water from rivers or streams, the remaining 29% of households obtain water from different sources like water tanks, water vendors, springs, boreholes, etc.

According to KSD Presidential Intervention Progress Update, though water service backlogs are minimized, the following form the main problem statements for water provision:-

Raw Water Pipe Line in Disrepair

- Water wasted due to leaks
- No water supply when pipe line is under repairs.
- Danger to life should the 600mm line burst

Water Purification Works

- Under capacitated to accept volumes required for any new development. Needs to be upgraded from 60ML to 80ML.

Challenges related to water include the following:-

- Lack of funds for infrastructure investment
- Huge backlogs resulting from old infrastructure
- Water resource scarcity and reliability
- Demand is in excess of available infrastructure due to rapid and unplanned growth - infrastructure is over-strained which result in reduction of its lifespan
- Drought as a result of climate change
- High level of vandalism and theft
- Poor maintenance of existing infrastructure
- Shortage of skilled personnel

Sanitation

Provision of sanitation services is the competency of the O.R Tambo District Municipality. A huge sanitation backlog has been identified. A sanitation strategy has been developed to ensure that the issue of backlogs eradication is dealt with and that an appropriate sanitation model is provided to the communities for both urban and rural areas. The DM is also intending to upgrade all town sewer systems into full waterborne systems.

The wastewater treatment works was designed to accommodate 12ML/d and the current flows are estimated above 18ML/d with exclusion of flows that do disappear within the sewer network.

The DM has undertaken a number of projects regarding the sewerage system:

- All twenty two (22) sewer pump stations are not fully functional as they are constantly under repairs
- In partnership with the DWA, the DM has refurbished the wastewater treatment works and is repairing/replacing sewer networks within Mthatha, increasing its capacity and ensuring that it is able to release effluent that meets the regulator's standards; and

- Also in partnership with the DWA, the DM managed to replace steel manhole covers with concrete covers and replace old AC sewer pipes.

The upgrading of sewer system into waterborne sewer in Mqanduli is currently at design stage to cater for Mqanduli urban area. Approximately 25% of households access sanitation services below RDP standards (no Ventilation Improved Pit Latrine). O.R Tambo DM has managed to deliver ventilated improved pit toilets to approximately 23% of households, while 39% of households have access to flush toilets earth connected to the sewerage system or with septic tanks. Statistics SA (2011) also reflects approximately 488 households still using bucket system. However, the municipality indicated that the bucket system was completely eradicated and so no households are currently on bucket system.

The table below reflects the wards and villages where communities are still relying on the self-made toilets (No VIP system (Source: KSD ward profiling 2012) :-

The table below demonstrates wards with no VIP

WARD	AREA	SANITATION (VIP, WATERBORNE OR SEPTIC TANK)
2	All villages	Waterborne system available but require major refurbishment as there are pipe leaks affecting houses
4	Bhongweni Phase 2,3,4	VIP Sanitation available (not covering the whole village)
6	Mpuku	No permanent sanitation system, houses are connected temporary to residential toilets.
9	Double Falls, Squatter Camp, Tambula Squatter Camp, Sgebenga, Squatter Camp, Sharply Park Squatter Camp, Madala Squatter Camp	None

Free Basic Services (Census 2016-IDP Indicator Dbase)

Free Basic Services	2014		2015	
	Number	Percent	Number	Percent
Indigent Households	10 128		18 632	
Water	0		0	
Electricity	10 128		9 040	
Sewerage & Sanitation	0		0	
Solid Waste Management	520		954	

Some of the sanitation challenges include the following:-

- Huge back log
- Waterborne sewer system for Mthatha is not fully functional – Pump station requires constant repairs
- Mqanduli does not have a water borne sewer system – under construction
- Shortage of Honey Sucker Trucks
- Sewer effluent discharged is not of acceptable standard due to lack of resources to upgrade of infrastructure
- Slow progress on sanitation projects
- Limited public toilets in the towns

Public Amenities and Community Facilities

Health Services/Facilities

Six (6) major hospitals are available in Mthatha namely, Nelson Mandela Academic Hospital linked to WSU hospital academic institution (former UNITRA), Mthatha General Hospital, Bedford Hospital, Sir Hendry Hospital, St. Mary's private hospital and the Mthatha private hospital. Other public hospitals are available in Mqanduli, Zithulele Hospital. The Department of Health has refurbished Mthatha General Hospital to encompass a teaching training hospital centre and the Bedford Orthopaedic Hospital has been upgraded.

Forty seven (44) rural clinics and 5 community health care centres are available in the rural wards of KSD. In addition, two (2) clinics, namely Norwood Civic Centre and Stanford Terrace as well as one health Centre, Ngangelizwe Community Health Centre, are available to service the Mthatha urban area.

Currently four (4) clinics have been prioritised for implementation of National Health Insurance (NHI): -

- Qunu
 - Ntshabeni
 - Qokolweni
 - Lutubeni
 - Stanford Terrace
- Four (4) clinics currently under construction: Bumbane, Mvezo, Centuli) and 1 old one Tyelebana clinic.
 - Clinics planned for 2015/2016- 2017: - 2 old (Tabase ,Kambi) 2 new (Sakhela and Gengqe)
 - Nineteen (19) clinics are currently being maintained
 - Ten (10) clinics are planned for maintenance
 - Currently forty (40) mobile clinic points exist

Availability of clinics

Status	Ward
Available clinics	1, 5, 6, 7, 8, 10, 13, 16 - 19, 21, 22, 24 – 27, 31 – 33 and 35
Required clinics	4, 9, 11, 12, 30 and 34

Community health workers have been deployed in the wards, to provide the following services: -

- Carry out household assessments, identifying health problems and making appropriate referrals
- Providing information and education to families
- Providing psychosocial support
- Participating in community campaigns and screening programs in the community
- Over the past two years only one hundred and eight (108) community health workers have been trained from different communities for provision of the above services. This number is considered limited because of the great need that has been identified. Shortage of funds to deploy more community health care workers is a challenge.

Accessibility to health facilities is a challenge as a result of lack of maintenance of access roads, making it difficult to render vital services to the communities in some clinics. The access road to Bedford Hospital is being resurfaced and other rural roads are under rehabilitation but the following still require serious maintenance: -

- Jalamba, Zidindi, tshezi, Ndzulwini, Tyelebana, Mpheko, Xhwili, Maxhwele, Hlabatshane, lutubeni and Mpunzana.
- Access road to Sitebe clinic requires bridge

The following additional challenges have been identified:-

- Water - The majority of rural clinics has no access to water, and have been provided with tanks. This creates challenges during drought seasons as tanks run out of water, bore holes are required. Water pipes in Sangoni clinic are leaking, maintenance of both the pipes and the building is required.
- Electricity - upgrade for Ndibela clinic and Maxhwele clinics
- Buildings –
 - The Civic centre clinic is too small as it was not originally built for health purposes.
 - Renovations in Nzulwini, Tshezi and Zithebele clinics is required
 - In Xhwili clinic a park home is required for additional consultation room.

- In all rural clinics, there are no telephones, shortage of staff and delay in delivery of medication.
- Signboards, notice board and service board plan are required in all the rural clinics.
- Medical waste in health facilities is collected by a private company contracted by the Department of Health on a one year contract. The waste is dispatched to KZN due to the lack of medical waste disposal site in Eastern Cape
- No collection of general waste in rural clinics done by the municipality

Educational facilities

According to the Education Management Information System (EMIS), a number of primary and secondary institutions exist in the municipality. One University, Walter Sisulu University in Mthatha is available and one FET college.

Currently there are 369 schools in KSD of which 25 are independent (private) schools, including primary, secondary and senior high schools. Three Special schools exist namely Efata Special Schools, Ikhwezi Lokusa Special School and Thembisa special School. Eight (8) ABET schools are registered with the Department of education including the Kambi Adult Centre, Mgobozi Adult Centre, Mgobozi Commercial Adult Centre, Mpeko Adult Centre, Mqanduli Adult Centre, Qunu Adult Centre, Seaview Adult Centre and Umtata Prison Adult Centre. Sixteen (16) schools are currently under construction including three (3) hostels in Dalindyebo SSS, Ngangelizwe HS and Mthatha Tech HS.

Pregnancy while at schools has been one of the major concerns by the Department of Education. The figure above reflects that pregnancy in schools has been on the rise from 2004 to 2010 having the highest record of 782 learners being pregnant. In 2011 has been a decrease from 782 to 549 (70.2%). The institution of sex education in schools has positive outcomes as shown by the statistics in 2011 Percentage pass rate for learners in Mthatha District over the past 5 years (Mthatha District), see table below,

Grade 12 pass rate. Source: Department of Education: KSD (Mthatha & Mqanduli District)

The graph above reflects that between 2011 and 2015, grade 12 pass rates have been fluctuating. From 2013 to 2014, there has been an improvement in the pass rate. Over the past three years, the Mthatha district (Mthatha district includes all schools in the KSD LM), it has been ranked number 9 in 2010, number 12 in 2011 and number 10 in 2012, compared to other districts in Eastern Cape.

Identified challenges: -

- Out of the total of 369 schools, about 26 schools lack water and sanitation as well as fencing around the schools.
- Over-crowding in schools and shortage of classrooms and school furniture
- Currently, seventeen (17) mud schools still exist namely Ndlunkulu JSS, Mbashe Primary, Thembelani Primary, Velalanga Primary, Viedgesville Primary, Sinolwazi SSS, Jongibandla JSS, Caba JSS, Luzini JSS, Thembelihle Primary, Nobuhle Primary, Ngonyama Primary, Ngoswana JSS, Nkwenkwezi Primary, Laphumikwezi Primary, Mandleni JSS and Nzwakazi JSS.
- Access roads to schools require maintenance

Community Libraries

Department of Sport, Recreation, Arts and Culture (DSRAC) is responsible for the provision of Library and Information Services and performs the following:

- Construction and provision of modular libraries.
- Provision of library materials.
- Provision of additional funds in the form of grants.

Currently there are nine (9) community libraries located in ward 2, 3, 7 (two libraries), 8, 18, 19, 24, and ward 29. Ward 4, 6, 8, 11 and 30 utilize the city library in ward 7. Currently ward 7 library (City library) is under renovations. The library in Qunu Village, ward 19 is within the multipurpose centre and is also utilized as an information centre. To increase access to library services a Mobile Library has been purchased and delivered.

Identified Challenges: -

- The library in ward 29 (Mqanduli town library) was opened in 2011, however, very few people are visiting it because it is not centrally located, and so difficult to access. Relocation of the library is therefore necessary.
- Ngangelizwe library in ward 2 requires renovations to create more space inside.
- The Civic Centre library in ward 8 is too small.
- Shortage of staff
- Only nine (9) community libraries exist located in ward 2, 3, two libraries in ward 7, 8, 18, 19, 24, and ward 29. (Extension of services to all 35 wards is required)

Sports facilities

Construction of sports facilities is the mandate of the Department of Sports, Recreation, Arts and Culture. Once they are finished, they are handed over to the municipality for maintenance and facilitation of their operations. Currently there are 2 stadiums in Mthatha, Rotary stadium and Mthatha Stadium. Other sport facilities that are utilized by the communities are the Richardson Park belongs to the municipality, Efata Sport fields, Sir Bluto sports field, Mthatha High School sport field and a gymnasium which are privately owned. Two swimming pools exist which are under the control of the municipality. In rural areas, open areas are utilized as sports grounds for sports activities such as soccer and netball. There is a plan to Level and fence of rural sports field.

Four art centres currently exist namely: -

- Mthatha Community Art Centre
- Bumbane Art centre (Not yet functional)
- Coffee Bay Art Centre
- Eastern Cape Art and Craft Hub

All these art centres are working as production and marketing centres. The municipality assists DSRAC in terms of maintaining the buildings

Challenges: -

- Lack of funds for provision of sports facilities in rural areas.
- Rural villages are not exposed to different types of sport codes
- Mthatha Stadium was not finished due to lack of funds.

Community Halls

Existing community halls were constructed by O.R Tambo DM and were then handed over to the local municipality. The municipality is responsible for maintenance of the community halls; however maintenance is a challenge as a result of shortage of funds. O. R Tambo DM is responsible for compensation of personnel in the Thusong Centres. Table 14 below reflects availability of community halls in each ward.

Availability of Community Halls

Status	Wards
Available community halls	1, 2, 3, 4, 6, 7, 9, 12, 18, 19, 23, 25, 28, 29, 31, 32 and 35
Required community halls	5, , 8, 10, 11, 13, 14, 15, 16, 17, 18, 20, 21, 22, 24, 26, 27, 30, 33 and 34

Identified challenges: -

- The community halls are not listed under municipal assets as they are currently not improved to the standards of being insured, as a result there are no records of community halls in the municipality.
- Community halls are not maintained due to shortage of funds
- Personnel for cleaning community halls in rural areas are not paid due to shortage of funds.
- The Thusong Centre in Viedgesville (Ward 32) was handed over to the municipality but operation and hiring of the centre is still a challenge.
- Mqanduli, Ngangelizwe, Viedgesville and Qunu Thusong Centres are not effectively utilized

- Vandalism of Ngangelizwe Multi Purpose Centre

Cemeteries

Currently four (4) cemetery sites exist within the urban area, located at Ncambedlana, main cemetery in Mbuqe, Khwezi and Mqanduli. The municipality is responsible for maintenance of the cemeteries. The challenge is that almost all four cemeteries are full, therefore land has to be identified for a new cemetery sites. Availability of land for cemetery is hindered by the high demand of land for housing and the issue of unresolved land claims. Mthatha Main Cemetery is well fence with steel palaside and tender for fencing of Ncambedlana Cemetery is underway.

Waste management

Refuse removal is the function of the KSD LM and part of the waste is collected by private contractors. About 32 000 households have access to refuse collection once per week. Waste is removed from the CBD daily and from commercial businesses as is when is requested. Mthatha West has been recently included for the collection of refuse using communal skips. Waste is removed using the compactor trucks, caged trucks and skip trucks. Two (2) landfill sites exist one in Mthatha and the other in Mqanduli. Mthatha and Mqanduli Landfill sites under rehabilitation. Construction of new Qweqwe landfill site is under way. Integrated Waste Management Plan as well as the by – laws regulating waste approved by Council in 2017/18; however, the documents have been submitted to the Department of Economic Development, Environmental Affairs & Tourism for endorsement by the MEC. .

2 Waste Transfer Station to be established in ward 9 & ward 24.

Challenges

- The municipality has identified the employment of Waste Management Officer as key to deal with the following challenges with regards to waste management: -
 - waste management due to lack of resources

- The projects and programmes uplifted during the development of the Integrated Waste Management plan must be implemented to ensure effective waste management.
- Littering is still a challenge although bins are provided all over the town
- Poor state of waste management services due to lack of capacity and waste infrastructure
- No formal waste provision services for coastal resorts – Coffee – Bay and Hole in the Wall, development of Coffee Bay waste transfer station will ease the situation.
- Illegal dumping due to lawlessness
- 65% of the households have no access to refuse removal by the local municipality while 21% of the households refuse is removed by the local authority or by a private company. 6% of the households use communal refuse dump.

Environmental Management

The Provincial Department of Economic Development; Environmental Affairs and Tourism is responsible for environmental management. Direct support on Environmental and Coastal Management is provided by Department of Economic Development, Environmental Affairs and Tourism, National Development of Environmental Affairs, Premiers office and OR Tambo District Municipality. Environmental affairs regulate environmental management through instruments such as the Environmental Impact Assessments, compliance and enforcement and biodiversity management tools. This includes: -

- Policy coordination
- Environmental Quality Management
- Biodiversity and Coastal Zone Management – Establishment of Wild cost Environmental Management plans for urban nodes at Coffee Bay and Mthatha Mouth. Off Road Vehicle Task team – Process boat launch licenses along the coast and there is a valid launch site at Hole in the Wall

Marine & Coastal

The Municipality has developed the Kwatshezi Development plan trying to curb the illegal developments along the coast. The plan also assisted in identifying areas where development can take place. DEA has allocated funds in the current cycle for the Working for the Coast for the development of the Coastal Management Plan which will address some of the issues relating to coastal management.

Threats:

- Illegal Coastal Developments
- Illegal sand mining
- Climate change

Water Sources

There are wetlands, streams and rivers in the Municipality that need to be protected so that they sustain both human and animal health. Mthatha River is the largest river servicing the area with small streams joining this river.

Issues:

- Contaminated rivers and streams
- Potential loss of aquatic biodiversity
- Human health and environmental risks associated with poor water quality
- Potential loss of recreational use of fresh water resources due to poor water quality
- Lack of monitoring programme for, pesticides and other hazardous pathogens content of rivers and streams

Main Causes:

- Inadequate, overloaded or defective sewage treatment infrastructure

- Lack of adequate storm water management
- Inadequate sanitation and leaching of human waste from informal settlements into water

Heritage

The Hole in the Wall feature and Nelson Mandela Museum contributes to the heritage of the area. The Municipality also lies along the pristine wild coast.

Threats:

- The heritage sites are not clearly identified
- There is also no proper control
- Proclamation of the Hole in the Wall so that it can be graded as National heritage site has to be done

Air Quality

Air quality management in South Africa has recently undergone a major revision, with a shift from the source based air quality management approach under the Atmospheric Pollution Prevention Act (No. 45 of 1965)(APPA) to an ambient based approach under the National Environmental Management: Air Quality Act (No. 39 of 2004)(AQA). This change in air quality management approach has also seen a change in the responsibility for air quality management being devolved down from the national level to the local authority level (district and metropolitan municipalities). Under the new Act each local authority is responsible for the development and implementation of an air quality management plan as part of their Integrated Development Plans (IDP). This function will be carried out by the OR Tambo District Municipality as this is their responsibility.

Noise pollution is also a challenge. By – Laws regulating noise in town have been developed and approved by council, however, they are not being implemented

Causes:

- The public transport sector (taxis, trucking , buses) are responsible for emitting pollutants in the form of exhaust fumes.
- Burning of tyres during winter season
- Uncontrolled, extensive and unnecessary burning of grasslands.
- Lack of public awareness of air quality issues and legislated pollution prevention.
- Lack of appropriately skilled monitoring and enforcement.
- Hospitals in the area do contribute also to air pollution

Environmental Degradation

The degradation of the environment in the greater OR Tambo DM is of concern, especially the extent and severity of the soil erosion. This has an impact on the economic viability and possible uses of the land. Environmental degradation, soil erosion in particular, is a major concern in the area. This imposes a number of limitations on the possible uses of land, and hence the economy of the area (source ORTDM). In KSD Municipality the mostly affected areas is ward 31, ward 16 & ward 15. However, a Land Management Project is registered to the Department of Environmental Affairs for funding for the 3 identified wards.

Current Projects

PROJECT NAME	DESCRIPTION	IMPACT	DURATION	PROGRESS	JOBS CREATED
EC- Development of a New Landfill Site	Development of a new Landfill site in Qweqwe	Better waste management in the Municipality	April 2017 ▼ March 2019	<ul style="list-style-type: none"> - Land has been secured and the additional finding to the value of R32m has been secured. - Construction is under way 	Projected Jobs - 154
EC – Youth Jobs in Waste	Create youth employment opportunities; provide additional waste capacity and infrastructure in the Municipality.	Capacitate youth in waste and improve municipal infrastructure relating to waste	Sept 2014 - December 2018	<ul style="list-style-type: none"> - Induction of beneficiaries has been done - Beneficiaries form part of KSD EPWP Team 	Total = 24 youth based in KSD
EC-WfC Mbashe River to Manteku River	Coastal Clean-up and development of Coastal Management Plan	Minimize waste management along the coast	Aug 2013 – June 2018 ▼ Continuing	<ul style="list-style-type: none"> - Coastal Cleaning is done in Hole in the Wall & Coffee Bay. - Request for additional funding submitted to Department of Environmental Affairs 	Total = 40
EC – People & Parks Project	Conferencing, Chalets and Restaurant	Job Creation, Social Cohesion, decent accommodation & Tourism	2014 – 2018	<ul style="list-style-type: none"> - Conferencing is used for events - Restaurant operating - Chalets 60% complete 	Total = 108
EC- Waste Management Project	Establishment of 2 Waste Transfer Stations in ward 9 and ward 24	Job Creation Waste Minimisation through recycling	2014 - 2019	<ul style="list-style-type: none"> - Permit for 2 sites issued - Business Plan approved - Recruitment process in progress 	Total =107

EPWP programme

Approximately 200 people are benefiting from the EPWP programme of which 25 are working in public parks and 175 work in cleaning of the towns (Mthatha and Mqanduli)

Challenges with regards to the EPWP programme: -

- The project is not sustainable due to financial constraints as a result some workers are paid by the municipality.

➤ Public Parks: -

4 municipal parks exist namely: -

- Queens Park also known as Savoy park
- Waterfall park
- Mqanduli park

Maintenance of these parks is done regularly by employees employed under the EPWP programme. For maintenance of these parks, 2 tractors with grass cutters are utilised, one tractor is used in Mqanduli while the other is used in Mthatha. Vandalism of Waterfall Park is evident.

Safe and Secure Environment

Currently there are 7 Police stations under KSD LM, namely Mthatha Central, Ngangelizwe, Bityi, Kwaaimani, Mqanduli, Madeira and Coffee – Bay Police stations. Table 16 below reflects the types of crime that are reported in each of the police stations under KSD LM. Mthatha includes the Central and the Madeira Police Stations. The highest criminal activities reported in Bityi Police station is stock theft while in Coffee Bay, Mqanduli and Kwaaiman are the assaults with the intent to inflict grievous bodily harm. Highest crime reported in Ngangelizwe is the burglary at residential premises. Theft of motor vehicle, motorcycle and commercial crime are more common types of crimes reported in Mthatha. Stray animals in town need to be controlled. There is a community safety forum which has been established with the assistance of Department of Safety and Liaison. The

stakeholders form part of traditional representation, government departments & entities, comity police forum delegation, local and district municipality.

Crime category	BITYI	COFFEE BAY	KWAAIMANI	NGANGELIZWE	MQANDULU	Wards	Common types of criminal activities	Total number of cases
						02	Rape, Theft, Assault	
Assault with the intent to inflict grievous bodily harm	160	62	89	131	10	12	Rape, Theft, Assault (Central and the Madeira)	1331
Attempted murder	21	1	14	6	14	18	Theft, Burglary, Rape	131
Burglary at non-residential premises	26	22	20	19	28	30	House burglary, Rape, Stock theft	413
Burglary at residential premises	57	33	29	157	31	32	Theft, Assault, Rape	133
Common assault	37	39	27	95	32	32	Robbery, Burglary, Theft, Armed robbery, Rape	891
Common robbery	4	2	0	12	32	32	Robbery, Rape, Theft	232
Driving under the influence of alcohol or drugs	1	1	0	15	50	50	The Section dealing with Community safety in K50 LM is divided into two sections, namely Protection services and Emergency services	75
Drug-related crime	99	25	16	86	53	53		441
Murder	50	5	21	35	30	30		286
Robbery at non-residential premises	13	3	3	10	17	17	Protection services	111
Robbery at residential premises	15	9	16	12	22	22	Protection services embrace the following aspects:-	144
Robbery with aggravating circumstances	52	15	26	79	88	88	• Law enforcement ○ By- laws	945
Sexual Crimes	77	14	37	85	33	33	○ Crime prevention	605
Stock-theft	223	10	81	5	102	102	• Road Safety	658
Theft out of or from motor vehicle and motorcycle	24	27	5	88	34	34	• Driving License Testing Centres (DLTC)	1324
Commercial crime	6	1	0	3	46	46	• Motor vehicle registration and licensing	1338

Protection services unit is one of the units within the municipality that generates a lot of revenue. However, it is not clearly reflected in the financial reports as it appears under support services. This has an impact on the performance report as it appears like the department is under performing.

Challenges: -

- Lack of funds to hire more fire fighters
- Shortage of uniform for law enforcement officers
- Fire

Crimes identified as highest concern in each ward (Source: O.R Tambo Risk Assessment Report 2011)

Fire and Emergency services

Currently the municipality is falling short of fire engine trucks; it is however, being assisted by O.R Tambo fire engine which serves all the municipalities under O.R Tambo. This creates challenges because some areas are far from the main fire stations and it takes longer for the fire engine to reach an area of disaster. According to the fire management standards, fire engines should reach the disaster areas within 5 minutes. Thirteen (13) fire fighters are employed by the municipality but due to lack of resources, they could not fully perform their duties. Fire bylaws have been developed but are not yet adopted by the council. The following wards have been identified as wards which are prone to forest and veld fires, ward 5, 30, 31, 7 and 32. House fires in ward 2, 9 and 15 are more common and usually caused by paraffin stoves and abuse of alcohol. (Source: O.R Tambo Risk assessment report 2011)

Disaster Management

A Disaster Management Unit is in place in Mthatha, however, plans to establish a satellite in Mqanduli is underway. Machinery is not available for provision of full services for disaster and emergencies covering Urban, Rural and Coastal areas. The municipality is in the process of acquiring assistance for the development of a Risk Assessment Study. A Disaster Management Plan has been developed but not yet approved by the council. (Awaiting prior approval of O R Tambo district municipality Disaster Management plan)

The following areas have been identified as prone to disasters: -

- Floods in the streets around the CBD area and in ward 2, 4, 9, 12, 5 and 32 caused by the lack of proper drainage system
- Floods in the villages of ward 8, 2, 9, 31, 12, 19, 18, 11, 10 and 28 caused by heavy rains and the houses that are built in flood prone areas.
- Wards where river and stream flooding were identified as a major concern - 03, 10, 15, 32
- Wards where street, road and house flooding were identified as a major concern - 03, 10, 15, 32

- Drought in wards 4, 2, 31, 9, 30, 14, 10, 32, 28, 18, 12 and 15 caused by climate change issues

Apart from the above, there are also other policies that have an influence on Disaster Management. One of these is the development of Local Agenda 21 as a more articulated framework over the past 10 years.

As a municipality, KSD Municipality is expected to provide the same, stand-alone level of service required of any other local municipality.

Part 1: Municipal Disaster Management Framework Part 2: Municipal Disaster Management Centres Part 3: Powers and duties of Municipalities and Municipal entities.

CONSTRAINTS

The hub of Disaster Management is the Disaster Management Centre, and the capacity of the centre will determine the potential to manage disaster. There is no disaster management centre in the municipality. The current staffs for KSD Municipality are a Disaster Management Officer, and an Assistant Disaster Management Officer and a Typist Clerk. A minimum of eight staff is required to provide an acceptable level of service.

BACKGROUND / PRIORITY ISSUES

KSD Municipality is susceptible to, and has previously experienced, the following:

Wind	Gales force winds Tornados
Floods	Entire KSD Municipality
Drought	Entire KSD Municipality
Epidemics	Various areas
Fires	Veld fires – whole area Informal sector Industrial and commercial area Institutional – schools and hospitals
Major Road Accidents	Whole area
Hazardous materials	Whole area
Disaster Management has been the subject of a completed Green and White Paper	Whole area

Strikes	
Unrest	Whole area
Service failure	Whole area
Electricity	Whole area

Social development

The Department of Social Development intends to contribute to the improvement of quality of life of the poor, the vulnerable, the needy and the excluded citizens of KSD through a comprehensive, integrated and developmental social service system. This is done through programs run by the department like poverty eradication programs, social grants, funding of community projects, crime prevention programs, awareness campaigns on subsistence abuse, victim empowerment programs, orphans and child headed household assistance and Social relief programs. Two (2) service offices exist for the Department of Social Development under KSD municipality, one office is located in Mthatha and the other is located at Mqanduli.

The following institutions are available: -

- Four children's homes: -
 - Khanyisa Children's Home
 - S.O.S. Children's Village
 - Bethani Children's Home
 - Thembelihle Children's Home
- Sinosizo Home for the Elders
- Thembelitsha Rehabilitation centre

Substance abuse has been one of the main challenges that the communities in both rural and urban areas have been facing. In order to address this challenge, awareness campaigns were conducted in Coffee Bay as it was identified as a hot spot for drug and alcohol abuse. The campaign involved all community members including school children, youth as well as old age people. Another intervention called Teenage against Drug Abuse (TADA) organizations have been established in schools and in communities. Six (6) volunteers, three (3) in Mthatha and three (3) in Mqanduli have been identified to be drivers of the TADA.

Community projects have benefited through the funding of the projects by the Department of Social Development. The types of projects funded include cooperatives and Non Profit Organizations (NPOs). The Crop projects are also assisted by the Department of Agriculture by providing seedlings, fences, as well as training the members of the projects.

HIV/Aids impacts heavily on the ability of the economically active population to effectively play their respective roles in the economy. An analysis of available antenatal statistics reflects that over the past decade, HIV related deaths have been on the rise. The 2011 statistic revealed that 11.5% of the population in KSD is infected by HIV/AIDS. The Department of Social development together with the Department of Health are working hand in hand to assist the affected communities. Home Based Care Givers (HBCG) throughout the communities are established to conduct door to door visits for the affected families.

Four(4) Non-Profit Organizations (N.P.O) are available to assist the communities with care giving and counselling. These organizations include Vukuzenzele Cooperative, Zama HIV/AIDS Centre, Community reach Home Based Organisation and Great Commission Organisation.

The municipality developed a Strategic Plan, aimed to guide the municipality's response towards the epidemic, looking at strategic areas for intervention. According to the HIV/AIDS Strategic Plan (2009-2013), HIV/AIDS is one of the biggest challenges in the country, badly affecting individuals, families and communities. Bread winners are lost and orphaned children are deprived not only of parental care but also of financial support. Many of them leave school without hope of getting a decent education or job. The majority of affected people are aged between 20-45 years and this has serious implications for the economy and development of the country.

The KSD HIV/AIDS Strategic Plan (2009-2013) has identified the following priorities: -

Priority Area 1 - Involves Education, Prevention and Awareness, focusing on raising awareness regarding VCT as well as improvement of the quality of service provided. Distribution of condoms will also have to be improved enormously, in order to ensure easy access so that communities are encouraged to make use of them.

Priority Area2 -Provision of treatment, care and support for people living with HI-Virus. The Municipality is experiencing an increase in the number of people who are infected and affected by HIV and AIDS, with high levels of Discrimination and stigmatisation. A number of infected people are defaulting on treatment and support groups as a result of poor community support

The following are some of the issues and intervention programs identified by the Department of Social development: -

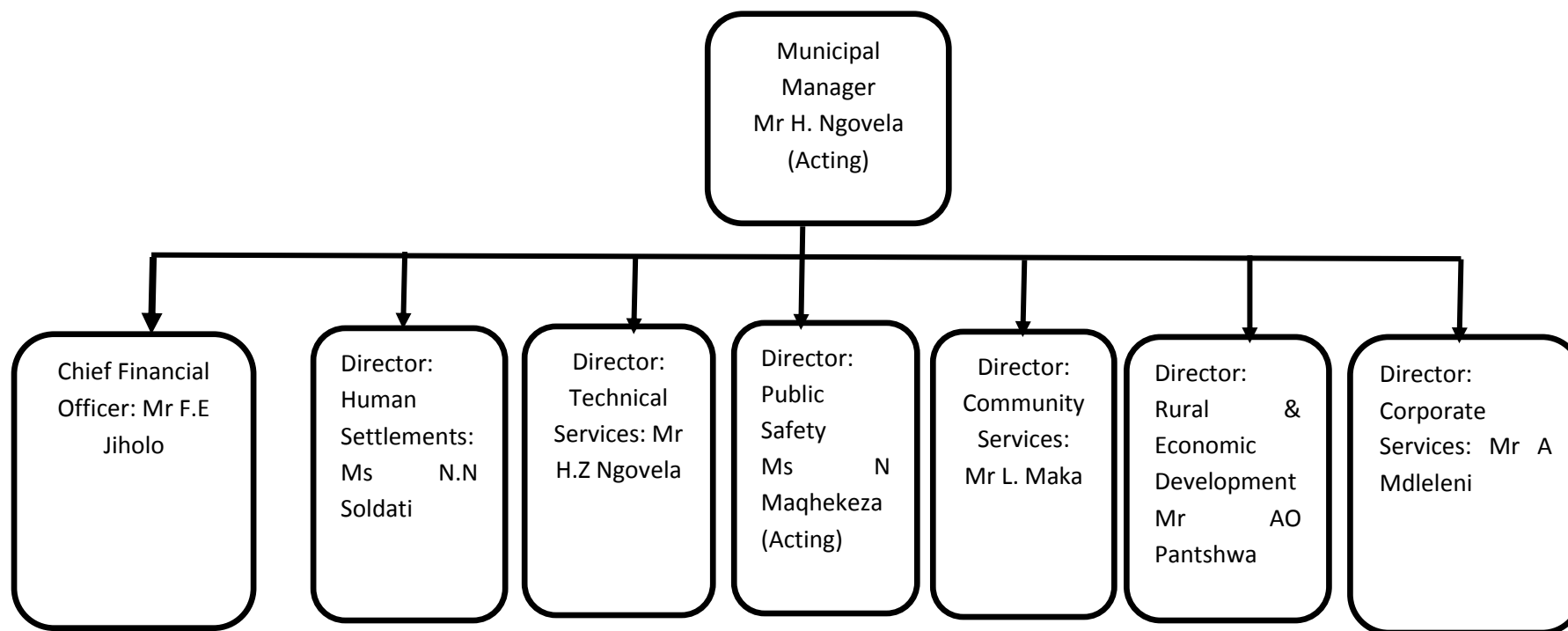
- Increase in numbers of orphans and vulnerable children (OVC)
- Physical Abuse (women, children and elderly) resulting in emotional abuse
- Substance Abuse affecting all ages – resulting in crime, road accidents, school dropouts and dismissal from work
- Poverty and substance abuse are one of the causes of physical abuse
- Shortage of funds to continuously fund community projects
- Lack of sustainability of funded projects
- Foster care issues
- Foster care grant is not utilized to address the children's' needs.
- Conflict between family members due to grant provided to foster parents.
- Young girls under foster care are victims of arranged marriages
- Increase in number of orphans
- Poverty - Lack of nutritious food result in infected people to get sick more regularly
- Shortage of funds to employ as a result some of the Home Based Care Givers are volunteer

2.2. MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

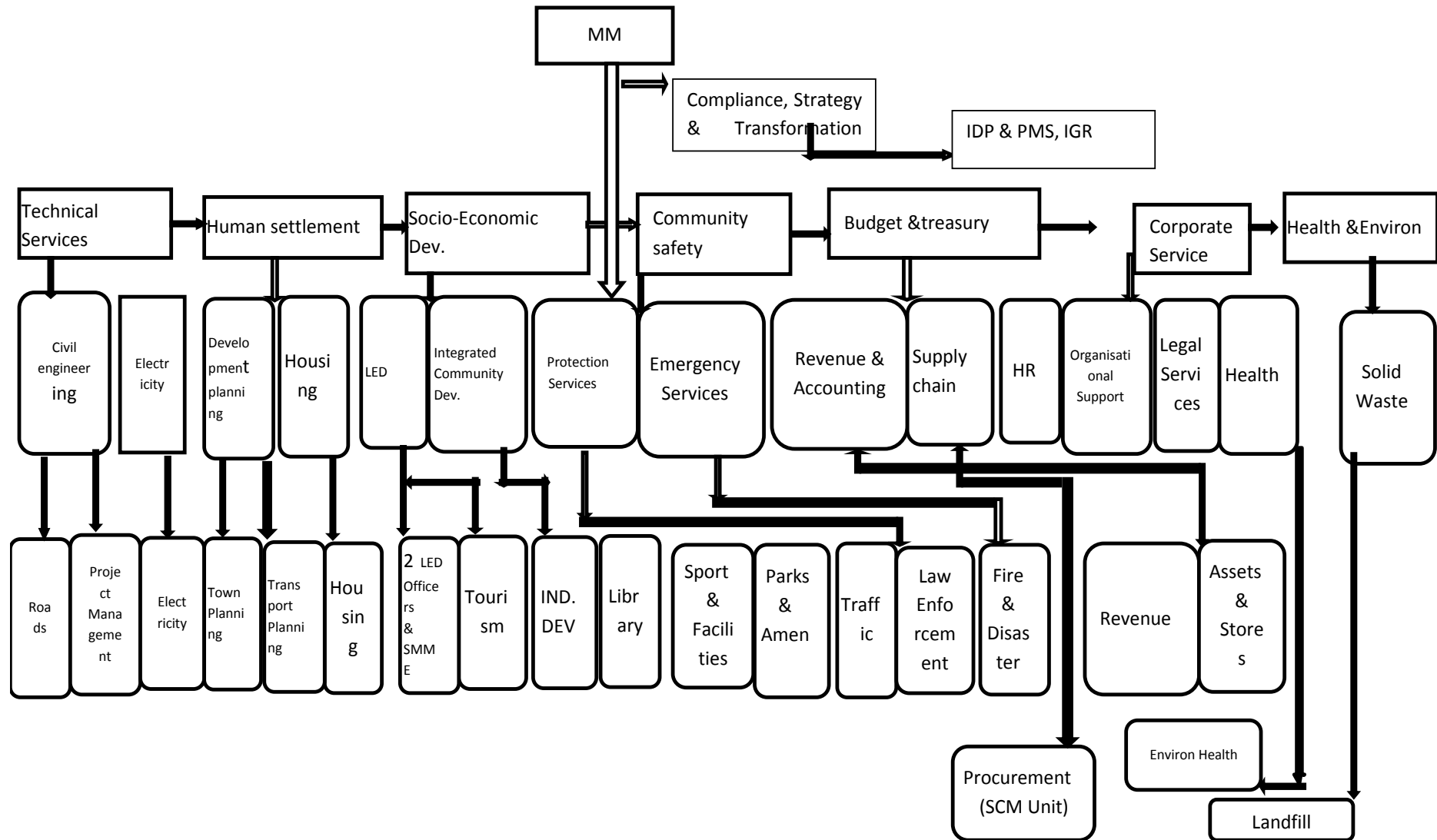
2.2.1 Administrative Structure

The KSD adopted a revised organisational structure in 2010 in line with its powers and functions and is under review. Draft Organisational Structure tabled to Council.
The top structure in terms of 2010 approved organogram is as follows:

2.2.2 KSDLM Top Organisational Structure



2.2.3 KSD Macro –Structure



2.2.4 Staff Complement in the KSDLM

DESIGNATION LEVELS	TOTAL NUMBER OF POSTS	POSTS FILLED	NO OF FEMALES	NO OF MALE
MUNICIPAL MANAGER	1	0	-	1
SECTION 56 POSITIONS	7	6	1	6

In terms of the vacancies, it is worth noting that the KSD is busy with job evaluation and the placement process of the employees has been finalised in 2010 approved structure. The process of Organisational review has been finalised.

2.2.5 Status on vacancies

KSD has a staff establishment of 2 186 posts of which 51 % are filled. The staff establishment is a long term human capital resourcing framework which is being populated in a phased manner through an annual recruitment plan which targets critical funded vacancies in all departments every year.

A process of developing a recruitment plan for the 2018/19 financial year is underway.

219 posts had been identified for filling in the 2015/16 year, and 74 in the 2015/16 year.

It is worth noting that all Section 56 positions have been filled and all critical positions are also filled. Below is the breakdown in the filling of posts per department.

DEPARTMENT	NO. OF POSTS	NO. OF FILLED POSITIONS	VACANCIES
MM's Office	40	25	15
Technical Services	262	160	102
Finance	172	71	101
Community Services	561	314	247
Corporate Services	172	58	114
Rural and Economic Development	148	28	120

TOTAL	1355	656	699
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2.2.6 Schedule of posts

Municipal manager's office

NO.	NAME OF THE POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Municipal Manager		Vacant	S. 56	1
2.	P.A.	-	Filled	Officer	1
3.	Executive Secretary	Vacant	-	Secretary	1
4.	Receptionist/Typist/Filing Clerk	Vacant	-	Clerk	1
5.	Gen. Man. : Mqanduli	-	Filled	Gen. Manager	1
6.	Secretary	Vacant	-	Officer	1
7.	Admin Officer: Mqanduli	-	Filled	Officer	1
8.	Admin Clerk	Vacant	-	Clerk	1
9.	General Workers x 2		Filled	Gen. Workers	2
10.	Filing Clerk: Mqanduli	Vacant	-	Clerk	1
11.	Messenger: Mqanduli	Vacant	-	Messenger	1
12.	Cashier/Clerk: Mqanduli	-	Filled	Clerk	1

Mqanduli satellite unit is headed by General Manager who reports to the office of MM for proper management of the unit and coordination of all municipal functions in Mqanduli.

Internal Auditing section

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Gen. Man.: Internal Audit	Vacant	-	General Manager	1
2.	PR. Internal Audit	Vacant	-	Principal Internal Audit	1
3.	Admin Officer	Vacant	-	Officer	1

4.	Snr. Internal Audit	Vacant	Filled	Auditor	2
5.	Snr. Internal Audit	-	Filled	Auditor	1
6.	Typist/Clerk	Vacant	-	Clerk	1
7.	Records Clerk	Vacant	-	Clerk	1
8.	Internal Audit	Vacant	-	Auditor	1
9.	Audit Clerk	Vacant	-	Clerk	1
10.	Internal Audit	Vacant	-	Clerk	1
11.	Manager: PMO	Vacant	-	Manager	1
12.	Municipal Chaplain	Vacant	-	Manager	1
13.	Legal Advisor	Vacant	-	Officer	1
14.	Project Coordinator	Vacant	-	Manager	1
15.	Project Admin Officer	Vacant	-	Officer	1
16.	SDBIP & S57 Perf. Manager	Vacant	-	Manager	1
17.	Legal Admin Officer Code & Litigation	Vacant	-	Officer	1
18.	Legal Admin Officer	Vacant	-	Officer	1
19.	Legal Admin Support	Vacant	-	Officer	1
20.	Typist/Clerk	Vacant	-	Clerk	1
21.	Legal Records Clerk	Vacant	-	Clerk	1

Mayor's Office

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	General Manager	-	Filled	Manager	1
2.	Secretary	Vacant	-	Officer	1
3.	P.A.	-	Filled	Officer	1
4.	Manager Inter Gov. Relations Media Liaison & Communications	-	Filled	Officer	1
5.	Manager: IDP & Budget	-	Filled	Officer	1
6.	Chief of Staff	-	Filled	Manager	1
7.	Special Programme Officer	Vacant	-	Manager	1
8.	Receptionist/Typist/Clerk	-	Filled	Clerk	1
9.	Receptionist/Typist/Clerk	-	Filled	Clerk	1
10.	Mayor's Secretary	Vacant	-	Officer	1
11.	Head VIP Protection	Vacant	-	Manager	1
12.	HIV/AIDS Programme Coordinator	Vacant	-	Manager	1
13.	Youth Programmes Coordinator	Vacant	-	Manager	1
14.	IGR & Traditional Affairs	-	Filled	Manager	1
15.	Senior Communications Officer	-	Filled	Manager	1
16.	Manager: Events & Protocol	-	Filled	Manager	1
17.	IDP & Budget Officer	Vacant	-	Officer	1
18.	Institutional Performance Officer	Vacant	-	Officer	1
19.	Executive Driver	-	Filled	Driver	1
20.	Body Guards	-	Filled	Guards	2
21.	Programme Coordinator	Vacant	-	-	1

22.	Typist/Clerk	Vacant	-	-	1
23.	Events Coordinator	Vacant	-	-	1
24.	IDP & Budget Coordinator	Vacant	-	-	1
25.	Cleaner/Messenger	-	Filled	-	1
26.	Messenger/Driver	-	Filled	-	1
27.	Communication/Media Relations Officer	-	Filled	-	1
28.	Website Content Coordinator	Vacant	-	-	1
29.	Research & Information Officer	Vacant	-	-	1
30.	Portfolio Cllr Support Admin Clerks	-	Filled	-	8

Speaker's Office

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	General Manager	-	Filled	Manager	1
2.	Secretary	-	Filled	Secretary	1
3.	P.A.: Speaker	-	Filled		1
4.	Manager: Council Secretariat	Vacant	-	Manager	1
5.	Manager: Council Support Services	Vacant	-	Manager	1
6.	Snr. Admin Officer Committee Services	-	Filled	Manager	1
7.	Admin Officer: Auxiliary Services	-	Filled	Manager	1
8.	Admin Officer: Whippery &	-	Filled	Manager	1

	Councillor Support				
9.	Chief Clerk Office Services	-	Filled	Officer	1
10.	Admin Officer Oversight	Vacant	-		1
11.	Public Participation & Ward Support	-	Filled	Officer	1
12.	Admin Officer	Vacant	-	Officer	1
13.	Admin Officer	Vacant	-	Officer	1
14.	Snr Typist	Vacant	-	Officer	1
15.	Printing & Reprographic	-	Filled	Officer	1
16.	Driver/Messenger	-	Filled	Officer	1
17.	Messengers		Filled	-	3
18.	Councillor's Messengers	1 Vacant	2 Filled	-	3
19.	Secretary to Single Whip		Filled	-	1
20.	Speaker's Secretary	-	Filled	-	1
21.	Typist/Filing Clerk	Vacant	-	-	1
22.	Community Facilitation	-	Filled	-	1
23.	Committee Officers	-	Filled	-	4
24.	Committee Officers	-	Filled	-	4
25.	Typist	-	Filled	-	2
26.	Reprographic Assistant	-	Filled	-	1
27.	Chief Clerk Council	Vacant	-		1

	Remun & Benefits			-	
28.	Chief Clerk Council Admin	Vacant	-	-	1
29.	Driver	-	Filled	-	1
30.	Cleaner/General Worker	-	Filled	-	1
31.	Messenger	Vacant	-	-	1

Technical Services

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	General Manager: Electrical	-	Filled	Manager	1
2.	Secretary	-	Filled	Officer	1
3.	Admin Officer Auxilliary	-	Filled -	-	1
4.	Driver/Operator	Vacant	-	-	2
5.	Driver/Operator	-	Filled	-	1
6.	Heavy Truck Driver Code 14 x 2	2 Vacant	-	-	1
7.	General Workers x 2	-	Filled	-	2
8.	Typist/Clerk	-	Filled	Clerk	1
9.	Distribution Manager	-	Filled	Manager	1
10.	Electrical Works Manager	-	Filled	Manager	1
11.	Planning & Protection Manager	Vacant	-	Manager	1
12.	Supervisor/Sen. Electrical	-	Filled	-	1

13.	Supervisor/Electrical Sen	-	Filled	-	1
14.	Cabling Supervisor	Vacant	-	-	1
15.	Supervisor/Electrician	-	Filled	-	1
16.	Supervisor/Faults	Vacant	-	-	1
17.	Supervisor	Vacant	-	-	1
18.	Supervisor Senior Electrician	Vacant	-	-	1
19.	Supervisor Senior Traffic	Vacant	-	-	1
20.	Planning Officer	Vacant	-	-	
21.	Electricians	-	Filled	-	2

Electricity Section

22.	Electricians	-	Filled	-	2
23.	Cable Layer	Vacant	-	-	2
24.	Electricians	-	Filled	-	2
25.	Electricians	-	Filled	-	1
26.	Electricians	-	Filled	-	2
27.	Electrician	-	Filled	-	1
28.	Electrician	-	Filled	-	1
29.	Electricians	Vacant	-	-	2
30.	Electricians	Vacant	-	-	1
31.	Protection Officer	Vacant	-	-	1
32.	Assist Electrician	Vacant	-	-	4
33.	Artisan Assistants	Vacant	-	-	8
34.	Handyman	Vacant	-	-	2
35.	Technical Services Officer	-	Filled	-	1
36.	Lineman	Vacant	-	-	2
37.	Gen Workers	-	Filled	-	20
38.	Gen. Workers	Vacant	-	-	42

Works Section

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Works Manager	-	Filled	Manager	1
2.	Typist/Clerk	Vacant	-	Clerk	1
3.	Stores Assistant	Vacant	-	-	1
4.	Foreman	Vacant	-	-	1
5.	Artisan Plumbing	-	-	-	1
6.	Artisan Bricklaying	Vacant	-	-	1
7.	Artisan Carpentry	-	Filled	-	3
8.	Artisan Painting	-	Filled	-	1
9.	Artisan Painting	Vacant	-	-	3
10.	Artisan Welding	-	Filled	-	1

Works

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Artisan Assistant	Vacant	-	-	2
2.	General Workers	Vacant	-	-	19
3.	General Workers	-	Filled	-	16
4.	Semi- Skilled		Filled	-	5

	Workers				
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Roads Section

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Roads Manager	Vacant	-	-	1
2.	Urban Roads Supt.	-	Filled	-	1
3.	Rural Roads Supt.	-	Filled	-	1
4.	Clerk	-	Filled	-	1
5.	Assistant Store Person	Vacant	-	-	1
6.	Foreman Pothole Patching	Vacant	-	-	1
7.	Foreman Storm Water Drainage	-	Filled	-	1
8.	Foreman Loading & Hauling	-	Filled	-	1
9.	Foreman Sidewalk	-	Filled	-	1
10.	Team Leader	Vacant	-	-	5
11.	Excavator/TLB Operator	Vacant	-	-	3
12.	Grader Operator	Vacant	-	-	2
13.	Tractor Driver	Vacant	-	-	1
14.	Water Truck	Vacant	-	-	2
15.	General Workers	-	Filled	-	31
16.	General Workers	Vacant	-	-	16

Human Settlements

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Director: Human Settlements	-	Filled	S56 Manager	1
2.	Senior Admin Officer	-	Filled	Manager	1
3.	P.A.	-	Filled		1
4.	Transport Clerk	Vacant	-	Clerk	1
5.	Stores Clerk	Vacant	-	Clerk	1
6.	Typist/Filing Clerk	Vacant	-	Clerk	1
7.	Departmental Asset Acc.	Vacant	-	-	1
8.	Personnel Admin Officer	Vacant	-	-	1
9.	Document Records Clerk	Vacant	-	-	1
10.	Messengers	Vacant	-	-	3
11.	GIS Coordinator	Vacant	-	-	1
12.	CAD Draughts Person	Vacant	-	-	1
13.	G.M. Dev Plan	Vacant	-	-	1
14.	G.M. Housing & Physical Env.	Vacant	-	-	1
15.	Secretary	Vacant	-	-	1
16.	Secretary	Vacant	-	-	1
17.	Manager: Town Planning	-	Filled	-	1
18.	Transport Planner	Vacant	-	-	1
19.	Manager: Building Control	-	Filled	-	1

20.	Forward Planning Officer	Vacant	-	-	1
21.	Development Control Officer	Vacant	-	-	1
22.	Sen. Land Admin Officer	-	Filled	-	1
23.	Town Planning Technician	Vacant	-	-	2
24.	Town Planning Assistant	Vacant	-	-	2
25.	Land Admin Officer	Vacant	-	-	1
26.	Principal Clerk Land Admin	-	Filled	-	1
27.	Transport Planner	Vacant	-	-	1
28.	Transport Plan Technician	Vacant	-	-	1
29.	Traffic Eng. Technician	Vacant	-	-	1
30.	Senior Clerk	Vacant	-	-	1
31.	Snr Plans Exam Officer	Vacant	-	-	1
32.	Plans Exam Officer	-	Filled	-	1
33.	Snr Building Inspector	-	Filled	-	1
34.	Building Inspector	-	Filled	-	3
35.	Building Inspector	Vacant	-	-	1
36.	Chief Housing Officer			-	
37.	Parks & Open Spaces Supt.	Vacant	-	-	1

38.	Horti Culturst Supt	-	Filled	-	1
39.	Grass Cut & Veg. Supervisor	Vacant	-	-	1
40.	Team Leader	Vacant	-	-	6
41.	Grass Cutters	Vacant	-	-	30
42.	Cemeteries & Cremo. Sup.	Vacant	-	-	1
43.	Gen. Workers	Vacant	-	-	32
44.	Gen. Workers	-	Filled	-	24
45.	Truck Driver	Vacant	-	-	2
46.	Assistant Handy Man	Vacant	-	-	1
47.	Nursery	Vacant	-	-	1
48.	Landscaping Supervisor	Vacant	-	-	1
49.	Team Leader	Vacant	-	-	2
50.	Gen Workers	Vacant	-	-	18

RED

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Director: PSED	-	Filled	-	1
2.	General Manager: LED	-	Filled	-	1
3.	G.M.: Integrated Community Development	Vacant	-	-	1
4.	Secretary	-	Filled	-	1
5.	Manager: Buss Industrial Dev.	Vacant	-	-	1
6.	SBD/SMME & Co – Ops Officer	-	Filled	-	1

7.	Trade & Invest Officer	Vacant	-	-	1
8.	Bus. Lic & Trading Regulation & Support Officer	1 Vacant	1 Filled	-	2
9.	Urban & Rural Dev Officer	Vacant	-	-	1
10.	Community Project Officer	1 Vacant	1 Filled	-	2
11.	Licensing Clerks	Vacant	-	-	3
12.	Market oversee	-	Filled	-	1
13.	General Worker	Vacant	-	-	1
14.	Manager: Tourism, Arts & Culture	Vacant	-	-	1
15.	Tourism Officer	-	Filled	-	1
16.	Tourism Info Assistant	Vacant	-	-	2
17.	Local Tourism Org. Co-ordinator	Vacant	-	-	1
18.	Market Assistant	Vacant	-	-	1
19.	Marketing Billboards & Advertising officer	Vacant	-	-	1
20.	Heritage Arts and Culture Officer	Vacant	-	-	1
21.	Agric Fishing & Forestry Dev Officer	Vacant	-	-	1
22.	Manager: Sector Dev.	Vacant	-	-	1

23.	Construction & Related Services Dev. Officer	Vacant	-	-	1
24.	Manager: Sports & Recreation	Vacant	-	-	1
25.	Sport & Sport Facilities Officer	Vacant	-	-	1
26.	Supervisor: Sport Facilities	Vacant	-	-	1
27.	Team Leaders	Vacant	-	-	4
28.	General Workers	Vacant	-	-	20
29.	Sport Facilities Booking Clerk	Vacant	-	-	1
30.	Sport Officer	Vacant	-	-	1
31.	Sport Coordinator	Vacant	-	-	2
32.	Beach Pools & Amusement Facilities Officer	Vacant	-	-	1
33.	Sup. Coffee Bay	Vacant	-	-	2
34.	Gen Workers	Vacant	-	-	16
35.	Seasonal Life Savers	Vacant	-	-	20
36.	Sup. Swimming Pools	Vacant	-	-	1
37.	Sen. Swimming Pool Attendant	1 Vacant	1 Filled	-	2
38.	Swimming Pool Attendant	Vacant	-	-	2
39.	General Workers	Vacant	3 Filled	-	4
40.	Gen Workers	Vacant	-	-	2
41.	Seasonal Life Savers	5 Vacant	2 Filled	-	7
42.	Seasonal	Vacant	-	-	2

	Cashiers				
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Library & Information

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Manager: Library & Info Services	-	Filled	-	1
2.	Assistant Manager: City	-	Filled	-	1
3.	Snr Librarian	Vacant	-	-	1
4.	Librarians	-	Filled	-	2
5.	Library Assistants	-	Filled	-	2
6.	Library Aides	-	Filled	-	2
7.	Assistant Manager: Norwood	Vacant	-	-	1
8.	Librarian	-	-	-	-
9.	Library Assistant	Vacant	-	-	2
10.	Library Aides	Vacant	-	-	2
11.	Librarian: Ngangelizwe	Vacant	-	-	1
12.	Library Assistants	Vacant	-	-	2
13.	Library Aides	Vacant	-	-	2
14.	Ass Manager: Ngangelizwe	Vacant	-	-	1
15.	Librarian: Mqanduli	Vacant	-	-	1
16.	Librarians	Vacant	-	-	2

17.	Ass Library Aides	Vacant	-	-	2
18.	Librarian Mobile Library Services	Vacant	-	Vacancies =129	

Community Safety

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Director: Comm. Safety	-	Filled	-	1
2.	P.A.	Vacant	-	-	1
3.	Commander Traffic & Law Enforcement	Vacant		-	1
4.	Secretary	Vacant		-	1
5.	Chief Traffic Officer: Mthatha	-	Filled	-	1
6.	Chief Law Enforcement	Vacant		-	1
7.	Receptionist	Vacant		-	1
8.	Ass. Chief Traffic OPS	Vacant		-	1
9.	Ass Chief Licensing Officer	Vacant		-	1
10.	Ass Chief Auxiliary	Vacant		-	1
11.	Chief Law Enforcement Officer	Vacant		-	1
12.	Receptionist	Vacant		-	1
13.	Snr Insp.: Crime	-	Filled	-	1
14.	Snr Insp. By-Law	-	Filled	-	1
15.	Snr Insp. Access Control	-	Filled	-	1

16.	Assistant Commander: Mqanduli	Vacant	-	-	1
17.	Receptionist	Vacant	-	-	1
18.	Snr Supt Traffic	Vacant	-	-	1
19.	Princ. Insp Law Enforcement	Vacant	-	-	1
20.	Supt Traffic Cops	Vacant	-	-	1
21.	Snr Insp. Crime	-	Filled	-	1
22.	Ass. Sup Licensing	Vacant	-	-	1
23.	Snr Insp By-Law: Mqanduli	-	Filled	-	1
24.	Sup Auxiliary Serv	Vacant	-	-	1
25.	Snr Insp Access Control: Mqanduli	-	Filled	-	1
26.	Supt	Vacant	-	-	2
27.	Ass. Supt	Vacant	-	-	4
28.	Officers	Vacant	-	-	40
29.	Princ. Licensing Officer: Motor Vehicle Reg.	-	Filled	-	1
30.	Supt: DLTC	-	Filled	-	1
31.	Prin. Exam: DLTC	-	Filled	-	1
32.	Ass. Supt: Trafman/Data Capturing	Vacant	-	-	1
33.	Ass Supt: Parking Management	Vacant	-	-	1
34.	Ass. Supt.: Training	Vacant	-	-	1
35.	Ass Supt: RD Marking & Signage	Vacant	-	-	1

36.	Ass Court Processes	Vacant	-	-	1
37.	Ass Supt Rank Mngt	Vacant	-	-	1
38.	Ass Supt Communication Centre	Vacant	-	-	1
39.	Snr Supt: Mqanduli	Vacant	-	-	1
40.	Supt.: Traffic OPS – Mqanduli	Vacant	-	-	1
41.	Ass Supt: Licensing	Vacant	-	-	1
42.	Supt Auxiliary Services	Vacant	-	-	1
43.	Ass. Supt	Vacant	-	-	1
44.	Snr Traffic Officers	Vacant	-	-	2
45.	Traffic Officers	-	Filled	-	8
46.	Snr Licensing				1
47.	Ass. Supt Trafmam/Data Capturer	Vacant	-	-	1
48.	Snr Meter Warden	Vacant	-	-	1

Community Safety – Mqanduli

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Traffic off Court Process	Vacant	-	-	1
2.	Meter Warden	-	Filled	-	4
3.	Prin. Exam DLTC	Vacant	-	-	1
4.	Ass. Supt	Vacant	-	-	1

	Parking				
5.	Ass Supt Rank Mngt	Vacant	-	-	1
6.	Snr Exam VTS	Vacant	-	-	1
7.	Ass Chief Traffic OPS	-	Filled	-	1
8.	Sup Traffic Control	Vacant	-	-	1
9.	Supt Traffic Control	Vacant	-	-	1
10.	Prin Meter Warden	Vacant	-	-	1
11.	Traffic Officer: Warrant Execution	Vacant	-	-	1
12.	Assist Supt	Vacant	-	-	4
13.	Snr Meter Warden	Vacant	-	-	2
14.	Traffic Officers	-	Filled	-	4
15.	Snr Traffic Officers	Vacant	-	-	8
16.	Meter Warden	8 Vacant	8 Filled	-	16
17.	Traffic Officers	20 Vacant	20 Filled	-	40
18.	Princ Officer: Licensing	-	Filled	-	1
19.	Gen. Worker	-	Filled	-	2
20.	Receptionist	Vacant	-	-	1
21.	Snr Licensing Officer	Vacant	-	-	2
22.	Licensing Officer	Vacant	-	-	1

Community Safety

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Vehicle Examiner	-	Filled	-	2
2.	Snr Vehicle	-	Filled	-	1
3.	Pit Assistant	Vacant	-	-	2
4.	Princ Exam	-	Filled	-	1
5.	Snr Licensing Officer	Vacant	-	-	1
6.	Snr Records Clerk	Vacant	-	-	1
7.	Snr Examiner	Vacant	-	-	2
8.	Licensing Officers	Vacant	-	-	2
9.	Records Clerks	Vacant	-	-	2
10.	Examiner	-	Filled	-	1
11.	Examiners Learner's Licenses	Vacant	-	-	2
12.	Examiners	Vacant	-	-	3
13.	Snr Supt: Mqanduli	Vacant	-	-	1
14.	Supt Snr Licensing Officer	Vacant	-	-	1
15.	Gen Worker	-	Filled	-	1
16.	Snr Clerk	Vacant	-	-	1
17.	Licensing Officer	Vacant	-	-	2
18.	Record Clerk	Vacant	-	-	1
19.	Gen. Worker	Vacant	-	-	1
20.	Data Capturer	-	Filled	-	1
21.	Snr Licensing	Vacant	-	-	1

	Examiner				
22.	Snr Licensing Officer	Vacant	-	-	1
23.	Examiners	Vacant	-	-	2
24.	Records Clerk	Vacant	-	-	1
25.	Licensing Officers	Vacant	-	-	2
26.	Pit Ass	Vacant	-	-	2

Community Safety – Mqanduli

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Vehicle Examiner	Vacant	-	-	1
2.	Licensing Officer	Vacant	-	-	1
3.	Ass Sup Trafman	Vacant	-	-	1
4.	Data Capturing Clerks	1 Vacant	2 Filled	-	3
5.	Cashiers	Vacant	-	-	2
6.	Ass Supt RD Marking & Signage	Vacant	-	-	1
7.	Foreman	Vacant	-	-	1
8.	Gen Workers	Vacant	-	-	8
9.	Ass Supt Rank Mngt	Vacant	-	-	1
10.	Parking Mgt Coordinator	Vacant	-	-	1
11.	Rank Oversee	Vacant	-	-	1
12.	Ass Reprsent	Vacant	-	-	1

13.	Clerks	Vacant	-	-	2
14.	Operator	Vacant	-	-	1
15.	Snr Sup: Mqanduli	Vacant	-	-	1
16.	Ass Supt Trafman	Vacant	-	-	1
17.	Ass Supt Parking Mgt	Vacant	-	-	1
18.	Ass Sup Rank Mgt	Vacant	-	-	1
19.	Traffic Officer Court Processes	Vacant	-	-	1
20.	Data Capturing	Vacant	-	-	-
21.	Cashiers	Vacant	-	-	1
22.	Typist Clerk	Vacant	-	-	1
23.	Inspectors	-	Filled	-	4

Community Safety

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Inspectors: By – Law	-	Filled	-	4
2.	Inspectors: Stock Control & Environment	Vacant	-	-	2
3.	Law Enforcement Officer	Vacant	-	-	48
4.	Law Enforcement Officers	-	Filled	-	60

5.	Insp Training	Vacant	-	-	1
6.	Access Control Officers	-	Filled	-	114
7.	Law Enforcement Officer	Vacant	-	-	4
8.	Insp Training	Vacant		-	1
9.	Inspectors	-	Filled	-	6
10.	Law Enforcement	Vacant		-	24
11.	Access Control Officers	Vacant		-	20

Fire & Emergency

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	CFO	-	Filled	-	1
2.	Secretary	Vacant	-	-	1
3.	Ass Chief	Vacant	-	-	1
4.	DIV Officers	Vacant	-	-	3
5.	Station Commander	Vacant	-	-	4

Total = 1072

Health Services – Admin Section

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Dir Health & Env	-	Filled	-	1
2.	P.A.	-	Filled	-	1

3.	Snr Admin	-	Filled	-	1
4.	Transport Clerk	Vacant	-	-	1
5.	Drivers	Vacant	-	-	2
6.	Stores Clerk	Vacant	-	-	1
7.	Typist/Clerk	1 Vacant	1 Filled	-	2
8.	Personnel Admin Clerk	Vacant	-	-	1
9.	Document/Records Officer	Vacant	-	-	1
10.	Dept Ass Acc	Vacant	-	-	1
11.	Dept Fleet Mechanic	Vacant	-	-	1
12.	Document Records Officer	Vacant	-	-	1
13.	Messenger	2 Vacant	1 Filled	-	3
14.	Artisan Assistant	Vacant	-	-	1
15.	Manager: Envir Health	Vacant	-	-	1
16.	Chief EHO	Vacant	-	-	1
17.	Snr EHO: Mqanduli	Vacant	-	-	1
18.	Snr EHO	-	Filled	-	2
19.	Animal Pound Liaison Officer	Vacant	-	-	1
20.	PET Licensing	Vacant	-	-	1
21.	Public Ablution Supervisor	-	Filled	-	2
22.	EHO: Health	-	Filled	-	1
23.	Animal Pound	Vacant	-	-	1
24.	Env Health	-	Filled	-	6

	Practitioners				
25.	Gen Workers	Vacant	-	-	20

Solid Waste

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	G.M. Solid Waste	Vacant	-	-	1
2.	Secretary	Vacant	-	-	1
3.	Manager: Refuse Removal & Waste	-	Filled	-	1
4.	Supervisors: Mthatha	-	Filled	-	2
5.	Supervisor	Vacant	-	-	3
6.	Drivers	-	Filled	-	7
7.	Gen Workers	-	Filled	-	20
8.	Team Leader: CBD	Vacant	-	-	2
9.	Tally Clerk	Vacant	-	-	1
10.	Compactor Operator	Vacant	-	-	1
11.	Manager	Vacant	-	-	1
12.	Drivers				
13.	Gen Workers	Vacant		-	258

Vacances = 320

Corporate Services

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	G.M. Org. Support	Vacant	-	-	1
2.	Secretary	Vacant	-	-	1

3.	Manager: Prop	Vacant	-	-	1
4.	Manager: Admin	Vacant	-	-	1
5.	Manager: Customer Serv.	Vacant	-	-	1
6.	Admin Officer: Civic Halls	Vacant	-	-	1
7.	Admin Officer: Municipal Houses	Vacant	-	-	1
8.	Booking Clerk	Vacant	-	-	1
9.	Hall Supervisor	5 Vacant	1 Filled	-	1
10.	Munitata Sup	Vacant	-	-	1
11.	Gen. Workers	Vacant	-	-	24
12.	Gen. Workers	Vacant	-	-	40
13.	Munic. Prop Ins & Maint	Vacant	-	-	1
14.	Prop Ins	Vacant	-	-	1
15.	Maint Officer	Vacant	-	-	1
16.	Central Rec Manager	Vacant	-	-	1
17.	Chief Regist Officer	-	Filled	-	1
18.	Chief Archiv Clerk	Vacant	-	-	1
19.	Snr Reg Clerk	2 Vacant	1 Filled	-	3
20.	Reg. Clerks	4 Vacant	2 Filled	-	6
21.	Messengers	Vacant	-	-	3
22.	Archives Clerk	Vacant	-	-	1
23.	Admin Off Tech	Vacant	-	-	1
24.	Switchboard	1 Vacant	1 Filled	-	2
25.	Telephone Tech	Vacant	-	-	1
26.	Telephone Admin Clerks	Vacant	-	-	2
27.	IVT Officer	Vacant	-	-	1

Corporate Services

1.	Walk - in Centre Super	Vacant	-	-	1
2.	Call Centre Supervisor	Vacant	-	-	1
3.	Mqanduli Cust. Serv. Off	Vacant	-	-	1
4.	Client Consult	-	Filled	-	7
5.	G.M. HR	Vacant	-	-	1
6.	Secretary	Vacant	-	-	1
7.	HR Records Clerk	-	Filled	-	1
8.	Manager: Personnel Serv.	Vacant	-	-	1
9.	Manager: H Dev	Vacant	-	-	1
10.	Manager: Org. Support	Vacant	-	-	2
11.	Mnger: Employee Wellness	Vacant	-	-	1
12.	Snr HR Off: Recruitment	Vacant	-	-	1
13.	Snr HR Off: Conditions	Vacant	-	-	1
14.	HR Officer & Conditions	1 Vacant	1 Filled	-	2
15.	Principal Clerks	-	Filled	-	2
16.	HR Officer: Recruitment	-	Filled	-	2
17.	Principal Clerks	-	Filled	-	2

18.	HR Officer: Leave	-	Filled	-	1
19.	Ass. HR Officer	Vacant	-	-	2
20.	HR Clerks	-	Filled	-	2
21.	Snr HR Off ETD	Vacant	-	-	1
22.	HR Officer	Vacant	-	-	2
23.	HRD Clerk	-	2 Filled	-	2
24.	ABET Tutor	Vacant	-	-	1
25.	Snr HR Officer Employment Equity	Vacant	-	-	1

Corporate

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	HR Officer Empl. Equity	Vacant	-	-	1
2.	Snr HR OF Wellness	-	Filled	-	1
3.	Snr HR Employee Perf. Manager	Vacant	Filled	-	1
4.	Snr HR Off: Labour	Vacant	-	-	1
5.	Labour Relations Officer	1 Vacant	1 Filled	-	1
6.	Snr HR	Vacant	-	-	1
7.	Snr HR & Job Evaluation	Vacant	-	-	1
8.	Snr HR Off: Health & Productivity	Vacant	-	-	1
9.	HR Off Occupational	Vacant	-	-	1

	Health				
10.	Dev Officers	Vacant	-	-	2
11.	HIV/AIDS Coordinator	Vacant	-	-	1
12.	HR Officer: Gen. Health & Productivity	Vacant	-	-	1
13.	Employee Ass. Officer	Vacant	-	-	1
14.	Employee Officer	Vacant	-	-	2
15.	HR Officer	Vacant	-	-	

Filled Posts

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	CFO Vacancies	-	Filled	-	127
2.	G.M. Supply Chain	-	Filled	-	
3.	G.M. Revenue	-	Filled		
4.	Manager: Assets	-	-		
5.	Manager: Procurement	-	-		
6.	Manager: Expenditure	-	Filled		
7.	Plant & Fleet Control	Vacant	-		
8.	Principal Acc. Ass Reg & Insv.	Vacant	-		
9.	Municipal Stores Controller		-		
10.	Receptionist/Typist/Clerk	Vacant *	-		
11.	Messenger/Driver	Vacant *	-		
12.	Ass. Registration & Insv. Clerks	Vacant *	-		3
13.	Sen. Acc. Ass.	Vacant	-		
14.	Admin Officer Ass & Insurance	Vacant *	-		

15.	Data Capturer	Vacant *	-		
16.	General Workers	1 Vacant *	2 Filled		3
17.	Fleet Mngt Technician	Vacant *	-		
18.	Fleet Control Supr	Vacant *	-		
19.	Fleet Maintenance Officer		-		
20.	Snr Storekeeper Receiving?	Vacant *	-		
21.	Snr Storekeeper Issuing?	Vacant *	-		
22.	Data Input Clerk	Vacant *	-		
23.	Fuel Mngt Ass	Vacant *	-		2
24.	Fleet Insurance Clerk	Vacant *	-		
25.	Fleet Maintenance Liaison Officer	Vacant *	-		
26.	Fleet Control Clerk	Vacant *	-		
28.	Receptionist/Typist/Clerk	Vacant *	-		
29.	Storekeeper	Vacant *	-		2
30.	Fuel Issuing Attendant	Vacant *	-		2
31.	Transport Insp.	Vacant *	-		
32.	Vehicle Checker	Vacant *	-		
33.	Mechanics	?	-		4
34.	Junior Artisan	*	-		4
35.	Washbay Assistants	Vacant *	-		
36.	Artisan Ass.	Vacant *	-		
37.	Stores Ass	Vacant *	-		
38.	Fuel Issuing Att.	Vacant	-		2
39.	Principal Acc. Creditors Expenditure		-		
40.	Principal Acc. Salaries		-		
41.	Records Clerk	Vacant *	-		

42.	Records Clerk	Vacant *	-		
43.	Snr Acc.	Vacant	-		
44.	Accountant	Vacant *	-		
45.	Chief Creditors	Vacant	-		
46.	Salaries Clerk	-	Filled		
47.	Chief Salaries Clerk	-	Filled		
48.	Accountant: Salaries	Vacant *	-		
49.	Creditors	-	Filled		

Procurement Unit

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Manager: Procurement		-		
2.	Supply Chain Mngt Officer	*	-		
3.	Procurement Officer	Vacant	-		
4.	Contract Mgt Disposal	-	Filled		
5.	Admin Officer	Vacant *	-		
6.	SCM Clerk	1 Vacant	1 Filled		2
7.	Records	Vacant *	-		
8.	Typist/Clerk	Vacant *	-		

Budget & Accounting Section

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Princ Acct Budget Plan & Prer	Vacant			
2.	Princ Acct MFMA Comp	Vacant	-		
3.	Accountant	Vacant*	-		4

Finance Accounting Section

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Secretary		-		
2.	Principal Acc Cash Mgt	*	-		
3.	Princ. Acc. Financial Rep	Vacant	-		
4.	Princ. Acc. Inv	Vacant *	-		
5.	Snr Acc. : Costing & Reco	Vacant *	-		
6.	Snr Acc SLA & Grants Fund	Vacant *	-		
7.	Snr Acct IGG & Free Basic Serv.	Vacant	-		
8.	Ass Acc	1 Vacant	4 Filled		5
9.	IGG Clerks	2 Vacant	2 Filled		-
10.	Community Liaison Officer	Vacant *	-		

3.1.1 ICT

NO.	NAME OF POST	VACANT	FILLED	DESIGNATION	NO. OF POSTS
1.	Manager		-	-	
2.	ICT OPS/Project Officer	Vacant *	-	-	
3.	Network Admin		-	-	
4.	Desktop Support	Vacant	-	-	

	Officer				
5.	GIS Officer	Vacant *	-	-	
6.	ICT Assistants	*	-	-	2
7.	Website Development Officer	Vacant *	-	-	
8.	ICT Technician	1 Vacant	1 Filled	-	2
9.	Applications & Database Admin	Vacant *	-	-	
10.	ICT Help Desk Officer	*	-	-	
11.	User Education Coordinator	Vacant *	-		

2.2.7 GRIEVANCE AND DISCIPLINARY MANAGEMENT

Disciplinary Hearings are dealt with in terms of the Disciplinary Procedure and Code collective agreement. All disciplinary matters are facilitated internally in terms of SALGBC disciplinary code and Labour Relations Act, as amended.

2.2.8 LABOUR RELATIONS

The Municipality has an established and functioning Local Labour Forum to engage and negotiate on matters of mutual interest at the workplace. A local agreement on the functioning of the Local Labour Forum was drafted, workshopped and adopted by the Local Labour Forum and is to be submitted to the Bargaining Council for ratification. The Local Labour Forum sits three times per quarter.

A draft Minimum Essential Service agreement is on the agenda of the Local Labour Forum.

Corporate Services through Labour Relations Office conducts road shows to ensure that all employees and Councillors are aware and sign Code of Conduct and disclosure forms periodically.

2.2.9 EMPLOYMENT EQUITY PLAN

KSD had a five year Employment Equity plan which will expire in 2022 and has been adopted by Council. New targets will be set and recruitment processes will be informed by the new EE Plan.

2.2.10 HUMAN RESOURCES DEVELOPMENT PLAN

The municipality has reviewed its Human Resources Development (HRD) plan for 2015/16 financial year which is an annexure to this document. The main goal of the HRD plan is to address the human resources demands facing the institution. Every year an annual Recruitment plan is developed which guides the staffing of the Municipality.

The Municipality has identified critical and scarce skills as Town planning, Electrical Engineer and Civil Technologies, GTS, MM & S56 positions, Transport planner, and Internal Auditors, ICT Manager and Property valuer.

A young Professionals programme was launched to ensure that it addresses succession planning of these positions. Middle Managers are skilled in MFMP and other Management development programme to ensure that there is no vacuum in MM and S56 positions. This seeks to introduce succession planning in the Municipality and guided by an approved policy. As part of retention strategy the Municipality has a staff attraction on retention policy, which states that an employee should be awarded 100% bursary to further his/her studies and that employee be given a qualification bonus on completion. Further that the policy provides for counter offers to retain employees offered employment elsewhere.

2.2.11 SKILLS DEVELOPMENT

KSD Municipality annually develops a Workplace Skills Plan (WSP) which sets out the training needs and plans for the financial year for Councillors and staff. Such plan is then submitted to the Employment Equity and Training Steering Committee for consultation and then to Council for approval. The Workplace Skills Plan (WSP) is submitted to the LGSETA as well. In preparation for the 2017/18 WSP, the municipalities are guided by a web-based skills audit tool which has been developed by Department of Co-operative Governance and Traditional Affairs (COGTA), nationally and is used in the skills audit process. Skills audit is done and it informs the work place skill's plan of the municipality.

2.2.12 OCCUPATIONAL HEALTH AND SAFETY

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The Municipality presently has a draft OHS Plan awaiting Council to approve for implementation. All KSD Municipal buildings including Mqanduli were assessed and Fire extinguishers and Exit signage are in place. Safety Representatives and First Aiders are in place and trained.

2.2.13 EMPLOYEE HEALTH AND WELLBEING

The municipality has a Wellness strategy and two Practitioners. The strategy seeks to address the employee wellness related challenges of the municipality

Employee Wellness Strategy has the following four functional pillars that the unit is looking at:-

- Occupational Hygiene and Safety Management
- HIV & AIDS Management
- Health & Productivity Management
- Wellness Management(EAP)

Wellness management function entails the following activities which are well managed and up and running:

- Financial Wellness
- Substance Abuse
- Spiritual Wellness
- Sports and Recreation
- Stress Management

2.2.14 ICT GOVERNANCE

Part of the mandate of the local government sphere is to ensure service delivery, effective management in municipalities, and maximisation of the revenue base and capacity building of municipalities for effective service delivery. For effective and efficient service delivery the municipality must therefore establish good corporate governance.

Corporate governance is concerned with the establishment of structures and processes, with appropriate checks and balances which enable leadership to discharge their responsibilities through exercising their duties with due care, skill and diligence. ICT

governance is a subset of corporate governance which focuses on governance over ICT and its processes with the goal of adding value while balancing risk and benefit. The ICT Governance standards, King III code of Good Governance specifies that the Council (board or directors) and management is accountable for the governance of ICT; Corporate Services is charged to provide direction for the effective management and implementation of ICT governance at the municipality.

Information Communication Technology (ICT)

Information Communication Technology (ICT) is one of the most vital services to the Municipality as it is used to pay salaries, provide information to key decision making, communicate with internal and external stakeholders, market the Municipality to potential investors and funders, pay service providers, Manage and report on financial position of the Municipality, management of assets of the municipality, etc. It is therefore very important for a Municipality to sustain this service in order to ensure that is stable and more importantly available whenever needed. The principal responsibility of the ICT unit is to be responsible for a constant, protected, reachable and steadfast ICT infrastructure which is available 98% of the time. The primary focus for ICT should then be on ensuring that 98% uptime of its services.

The purpose of this section is to provide electronic communication and information management to the municipality.

The ICT covers the following services:-

- Data and Systems Security
- Antivirus solutions
- IT Policies
- IT Governance
- IT Disaster Recovery planning
- Systems and Data backups
- Master Systems Plan (ICT Strategy)
- Electronic communication (e.g. Internet, Intranet, Website and E-mails)
- E-Governance
- Payroll and financial systems (mMSCOA compliant)
- IT Support (Computers, printers, faxes, etc.)

- IT Risks register
- IT Trainings
- Network infrastructure and servers
- Telephone management
- Electronic Performance management system
- IT Service Level Agreement (SLA)

IT policies were reviewed and adopted by council where all security issues, confidentiality and access to information are dealt with.

Alignment of ICT to national KPA's is elaborated in our Master Systems Plan (MSP) which is the ICT strategy for the Municipality. MSP also aligns ICT with Municipal IDP.

ICT Steering committee

An ICT steering committee has been established to drive ICT and to ensure that it is aligned to the business. The committee is also responsible for approving ICT strategies, projects, policies and also ensuring that they are implemented.

The IT Manager is to submit a monthly ICT report to the steering committee covering the activities performed by ICT during the month and identifying the risks. This allows the committee to monitor and evaluate ICT performance. The ICT steering committee must convene monthly and must drive the implementation of Master Systems Plan (MSP).

ICT Strategic Objectives

To fulfil this mission, ICT Unit will, in partnership with the Municipality's Business Units, seek to:

- Provide a secure IT infrastructure which delivers appropriate levels of data Confidentiality, Integrity and Availability.
- Ensure access to appropriate skills and resources.
- Incorporate effective governance and Project Management practices to promote a close alignment between IT and Business Units.

- Maximise value for money from existing and future technology investments.
- Incorporate best environmental practices into its IT operations.
- ICT Unit will achieve these objectives by focussing on the continuous development of its People, its Processes and its Technology

Providing a Secure IT Infrastructure

Data security is the most crucial aspect of any ICT infrastructure. The ICT section must maintain confidentiality and integrity of user's data at all times. The IT Policies must classify data and must also be enforced in order to protect the data.

a must be upheld in order to ensure that Councillors, Officials and Customers data which is protected under the Protection of Private Information Act is guaranteed; this will prevent lawsuits and other actions which may be taken against the Municipality.

Data Integrity must be achieved by ensuring that all data stored on the server is credible and that access controls are applied to ensure that the data has not fabricated and comes from a reliable source. The role of data creators is to ensure that the data generated is a true reflection of the reality and where possible information must be verifiable.

Data Availability means that the ICT division must ensure that users have access to data at all times and must also ensure that data and systems are made available to authorised users only. The Municipality will slowly migrate to cloud computing which will ensure that data is available at all times to the users.

2.3 LOCAL ECONOMIC DEVELOPMENT

2.3.1 INDUSTRIAL DEVELOPMENT IMPLEMENTATION STRATEGY

BACKGROUND :

To ensure the effectiveness of the strategy, It is important to understand the development context within which the municipality's economy operates. This includes:

- a) Legislative and policy frame work
- The national development plan
 - National spatial development perspective(NSDP)
 - The new economic growth path
 - The industrial policy action plan 2 and 3(IPAP 2 and 3)
 - The provincial growth and development plan
 - The OR Tambo IDP
 - The KSD vision 2030
 - The KSD IDP

2.3.2 EXISTING AND POTENTIAL SECTORS AND SPIN-OFFS

1. KSD remains and can grow as a regional hub for trade and service; Mthatha CBD in particular forms the centre of a large and growing trading area of over 2.2 million people. There is opportunity to develop retail and wholesaling trading base, drawing entertainment and other services.
2. The following economic clusters drive the local economy:

Summary of Existing KSD Regional Drivers

Focus Area	Key Characteristics	Economic Spin-offs
Regional Market Base	<ul style="list-style-type: none"> • 250km trade area • 400km distribution area • Destination consumer market of 2.3 million • Retail trade area potential of R11.7+ Billion by 2017 • Sales for agricultural product, leveraging demand for processing throughput and production 	<ul style="list-style-type: none"> • Market for agricultural products leverages demand for processing throughput and agricultural production • Demand for wholesale, transportation, and logistics services to serve the large regional market base • Employment in retail trade as well as up-stream and downstream industries
Higher Education & Research	<ul style="list-style-type: none"> • WSU employs nearly 2,000 people in Mthatha, some with higher degrees, skills • Operates Nelson Mandela Academic Hospital • Faculty of Health Sciences conducts clinical and basic research that leverages broad-based funding • Potential Faculty of Agriculture with 1st Veterinary Sciences degree in nation 	<ul style="list-style-type: none"> • Market base for retail goods, supplies, transport and services • Driver for innovation and entrepreneurship • R&D can leverage commercialisation and product development (such as plant-based products) for downstream production of pharmaceuticals • Unique programmes can attract specialty skills not found in other regions
Heritage & Resource Tourism Base	<ul style="list-style-type: none"> • Nelson Mandela's home, and various sites linked to the nation's political history • Xhosa culture, language and heritage 	<ul style="list-style-type: none"> • International tourism, which has higher economic multipliers because of higher incomes and intensive overnight spending

	<ul style="list-style-type: none"> Wild Coast environmental assets 	<ul style="list-style-type: none"> patterns Development spin-offs in terms of tourism services, retail, SMME development, lodging, and craft merchandise Conservation increases value of developable land
Hospitals & Medical Services	<ul style="list-style-type: none"> 3,000 -4,000 jobs in major hospital complex Mthatha General Hospital upgraded to a Central medical facility to offer specialised services drawing from a broad catchment area Nelson Mandela Academic Hospital, conducting clinical research and leveraging broad funding Military, private and public hospitals and clinics 	<ul style="list-style-type: none"> Broad supply chain including catering and food services, medical instruments and equipment, plastics and packaging, transport, maintenance services, etc. Research capacity to support development and testing of pharmaceuticals High-skilled and high-income professional staff that enhance consumer spending power, innovation and leadership Helps consolidate KSD role as centre for trade and services
Government	<ul style="list-style-type: none"> Large and stable employment base in all tiers Centre for District Government 	<ul style="list-style-type: none"> Income impact on trade and services Access to Government services

Existing and potential industry linkages, nodes and corrections are listed below:

- N2 Urban Corridor and N2 is the municipality transportation spine and “lifeblood” connecting Mthatha to major markets and suppliers in Durban, East London and beyond. Mthatha is major urban centre for :
 - regions health and education centre,
 - regional administrative centre.
 - Regional finance, insurance, real estate hub (fire)

2..1 Wild Coast Tourism route Viedgesville to Coffee Bay route provides opportunity to showcase the municipality’s natural resources and coast line.

2..2 The upgraded airport strengthens the role of Umthatha as a tourism gateway to the wild coast

2..3

2..4 Agriculture zones and processing nodes. The agricultural sector is a future growth opportunity and numerous agricultural nodes have been identified as well as potential processing facilities.

2..5

2..6 The opportunity to expand the retail and wholeselling industry with its attendant logistics and distribution sectors is immense. This will also lead to the development of entertainment and other services

2.3.3 STRATEGIC THRUST

The strategic thrust of KSD Municipality is to promote sustainable economic growth and development which is evidenced by:

- KSD government’s reputation being a well known brand
- Utilisation of indigenous knowledge and endogenous resources to the full
- Creating decent and sustainable jobs
- Clear focus on relevant skills, science and technology transfer
- Greater local community and business participation in the economy
- Promote foreign direct investment and business expansion
- LED directorate works with Technical and Community Services on ensuring involvement of communities in job creation under roads maintenance and cleaning projects through EPWP and CWP programmes.

Key growth areas

Potential growth has been identified in the sector : agriculture, health care, retail and wholesaling trade, pharmatised production, food, Tourism and beverages manufacturing.

Manufacturing has a potential to create much – needed employment especialy:

Food and beverages:

This is a secondary industry-a downstream beneficiation of local commodities.



Wood Products:

The existing forestry timber processing can lead to value adding industries as below



2.3.4 STRATEGIC OPTIONS

- To achieve the above mentioned objectives and drive industry development and value addition throughout the value chains the following strategies are crafted

2.3.5 BUSINESS AND INVESTMENT RETENTION AND ATTRACTION

This entails the following major activities/project:

- One on one roadshows meetings with big business by the Executive Mayor and or LED portfolio head

- Business Imbizo and expo
- Investment conference

2.3.6 STRATEGIC ALLIANCE

This will include:

- Strengthen the LED Forum
- Strengthening partnership-an MOU with WSU and KSD FET college for provision of skills development programme, research and development on the KSD economy and its linkages to the national and international shell
- Sustaining partnership with kei fresh produce market strategic economic development
- Umzikantu abattoir, to ensure small scale farmer support
- To ensure structural collaboration with SEDA, ECDC, OR TAMBO LED, NAFCOC KSD to ensure access to business support services to local business
- Co- operative and SMME Development

Promote a vibrant SMME and co- operative by facilitating access to markets, capital economic infrastructure and information

- Develop a cooperative and SMME strategy review for 2018/19 financial year
- Skill Development
- Link with provincial contractor development for of contactors and capacity holding
- Facilitate aggressively the training and inventory of all cooperatives and SMME's

2.3.7 INFORMAL SECTOR BUSINESS SUPPORT

- Increase support in the informal sector by providing their relevant economic infrastructure and facilities
- Engage SALGA to assist with the development and implementation of informal sector strategy for KSD.

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- Promote tourism development in the KSD
- Embark on investment and destination marketing or tourism attraction and products: Branding KSD as home of legends, Nelson Mandela, King Sabata Dalindyebo
- Enhance the status and quality of KSD mouth as tourist attraction

Tourism

The untapped natural resources, culture and historic heritage that put the municipality on the international map, are some of the strategic assets that the municipality possesses. Initiatives pursued under tourism development include:

- Tourism product development facilitation;
- Tourism promotion and marketing;
- Tourism infrastructure deployment facilitation;

Both Nelson Mandela and Mvezo Museum hold a lot of tourism potential for the area. The development of Qunu Village is expected to trigger vibrant cultural tourism in the KSD. Successfully developed and effectively marketed, these areas stand to be major attractions for both domestic and foreign tourists.

The Mthatha airport has been upgraded to accommodate large aircraft. Also the airport will provide important linkage with all the international airports and be a centre of potential logistical node.

The major infrastructural problem lies in both lack of adequate facilities in camping areas and the problem of accessibility to the coast. Crime has also been reported as a problem for tourists.

The Mqanduli district forms part of the Wild Coast Spatial Development Initiative (SDI) which has support from provincial and national government. This initiative seeks to facilitate development of community based tourism projects in the area and Kwatshezi Development Plan has been crafted to reshape the Coffee-Bay in order to realise the vision of making it one of the small attractive regeneration town within the OR Tambo District Municipality.

Other tourist attractions and facilities include mountainous areas and forests in the north, the Trout dams and streams, Umtata Dam (game reserve), Nduli Nature Reserve, several small craft centres and Jonopo Cultural Village.

Challenges

- Lack of capital
- Lack of requisite skills
- Perceptions about high levels of crime
- Lack of participation by rural communities in Tourism

The above blockages will be addressed through a comprehensive tourism capacity building and mentorship programme

Forestry and Timber Production

If KSD Local Municipality utilized the forestry development, it can represent a large and important section of this region's economy and can provide an economically viable component for its labour force. Elangeni forest makes a significant contribution to the primary sector of the local economy. Although not within the KSD the forest is likely to impact positively on this area's economy with strong backward & forward linkages between various Municipalities, including Mhlontlo Local Municipality and amongst agro-industries taking place, particularly in the beneficiation of timber at Langeni saw mill and associated industry. Planning initiatives are currently taking place to construct a rail siding to the sawmill (from Mthatha) and road between Langeni and Ugie has been constructed and upgraded. These projects are intended to facilitate harvesting of the forests between Ugie and Maclear and, if successful could increase employment from 3 500 to 10 000 in the area.

The Municipality has the opportunity and responsibility to support forestry development initiatives from which communities can benefit. This role would include:

- Creating awareness and acceptability of forestry as a legitimate land use;
- Facilitating and supporting downstream participation by local SMMEs; and

- Facilitating collaboration of key stakeholders for mutual benefit, for the benefit of the sector, and for the economy as a whole.

There are, however, a number of challenges to exploiting the sector, notably:

- Limited skills within the sector;
- Poor co-ordination and integration between the sector stakeholders; and
- Lack of a unique District-sector strategy.

In order to counter/overcome these challenges, the following interventions are being recommended:

- Strengthening of the Forestry Sub Sector Forum;
- Improved support to Forestry SMMEs and Cooperatives;
- Development of the forestry cluster and value chain; and
- Improve skills and skilling-processes in the forestry sector.

Marine and Agriculture

The Municipality possesses a wide coastline that gives it a tourism development opportunity, which includes the development of the marine and aquaculture sector. With the Wild Coast presenting extensive opportunities for people to participate in marine harvesting activities, it is a challenge for all spheres of government to ensure that:

- Local people are able to participate equitably; and
- Harvesting is carried out at levels that are sustainable.

In order to achieve these two objectives, improved data is required, as well as (1) greater awareness amongst stakeholders and role-players, and (2) improved regulations and enforcement of these controls. Again, these activities require collaboration of all spheres of government and a coordinated approach.

The sector also faces a **number of challenges**:

- Limited skills within the sector;
- Poor coordination and integration between the stakeholders in the sector;
- Lack of a distinct local-sector strategy; and

- Poor knowledge of the legislative requirements regulating the sector.

In order to counter these challenges, the following recommendations are proposed:

- Strengthening of the Marine and Aquaculture Sector Forum;
- Improved support to sector SMMEs and Cooperatives;
- Development of a Marine and Aquaculture industry; and
- Improve skilling within the sector.

Trade, Manufacturing and Investment Promotion

Although some measure of warehousing is taking place in both KSD urban areas this sector has shown limited growth. Economic decline has been experienced in both the manufacturing and industrial sector, which are generally weak and lack both small and large scale operations which can provide backward and forward economic linkages with other sectors. Poor industrial sectors limit any chances of value adding activities taking place in the area. Efforts, however, have been made towards establishing agro-industries in the form of a sawmill near Elangeni and the abattoir in Mthatha. KSD Municipality is moving very fast to revive the old structures that were previously owned by ECDC, the Transido in Ngangelizwe has been upgraded to support and accommodate SMMEs, and Furntech programme of SEDA is progressing well at Vulindlela Heights industrial area with the assistance.

There are challenges to the investment promotion-ideals of the KSDLM, notably

- Poor roads in the Vulindlela industrial area
- Lack of requisite skills for priority industries
- Backlogs in appropriate physical bulk infrastructure necessary for investment;
- Communal land tenure; and
- Unresolved land claims.

In order to address these **challenges**, the following interventions have been put forward:

- Aggressive upgrading of infrastructure

- Capitalize on the strengths and comparative advantage for investment promotion;
- Position and market the municipality as a viable region economically for investment;
- Attract additional investment from international investors in key growth sectors; and
- Retain and boost existing investment.

Co-operatives and SMME Support

In order to provide decent jobs and sustainable livelihoods, and ensure food security, the KSDLM has used its LED Programmes to provide short and long-term job opportunities, while ensuring massive food production for poverty alleviation. The implementation role for all cooperatives and SMME projects will be transferred fully to the implementing arm of the municipality. The Planning Socio Economic Development Directorate will be responsible for coordinating role. The following will be the key focal areas for the Directorate, which will require proper funding to ensure avoidance of an unfunded and unfulfilled mandate: The preparation and implementation of an “Integrated municipal Cooperatives Development Strategy and Implementation Plan”.

The reason for the reparation of the plan is that cooperatives and SMMEs are seen as playing a critical role in developing the municipal economy, but normally face challenges regarding access to markets, finance, and information and quality support services. While there are many role players that are supporting cooperatives and SMMEs in the municipality, the provision of this support is highly disintegrated. The envisaged Integrated KSD Cooperatives Development Strategy and Implementation Plan will assist in the identification of key actions to be performed by each role-player in the municipality, and result in the integration of the actions of the various role players to ensure maximum impact.

Table: Cooperatives and SMMEs developed with the KSD's support

Sector	Number of Cooperatives	Number of jobs created	LM where located
Food Production	5	151	KSD
Agriculture	49	1391	KSD
ICT	1	5	KSD
Manufacturing	18	358	KSD
Wool	4	124	KSD
Tourism & Hospitality	2	34	KSD
Multipurpose	3	80	KSD
Recycling	1	9	KSD
Cleaning	1	5	KSD

KSD Skills Development Programme

SMMEs continuously face the challenge of access to markets, finance, information and quality support services. Creating awareness, capacity building and providing assistance to cooperatives is one of the institutional support mechanisms the Municipality is committed to support and facilitate.

- *The Kei Fresh Produce Market:* This market was built by the EC Provincial Department of Agriculture and transferred to the KSDL, since markets and abattoirs are a function of municipalities. Local farmers, the EC Provincial Department of Agriculture and the KSDL are all active partners in this venture. The market has gone from strength-to-strength, with an annual turnover of more than R30million. Seventeen permanent jobs have also been created, of which 42% are women. **The main challenge** is that the market is getting most of its produce from outside the District. To turn this around, a strategic plan has been developed in partnership with the ECRDA. The Thina Sinako (EU programme) funded part of the strategy. The plan is to expand the market to have more banana ripening rooms and to introduce a meat market.

2.3.8 BUSINESS OPPORTUNITY RELATED TO NATIONAL AND PROVINCIAL INFRASTRUCTURE INVESTMENT

The government at all levels has embarked on massive infrastructure investments which include (in the region):

- piloting national health insurance in OR Tambo District
- Massive upgrade of the Nelson Mandela Medical hospital and WSU medical school
- The N2 coastal highway construction
- The Wild Coast Meander tourism programme
- The Mzimvubu hydro/ dam development
- The KSD Presidential initiative

Challenges encountered include;

- Lack of skilled artisans
- Lack of High capacity local civil/building contractors
- Lack of local experienced project managers of Big Infrastructure initiative

The above drawbacks will be addressed through aggressive and comprehensive capacity building and support programmes by public sector enabling agencies

Implementation of Ward-Based Planning and Information System (WBPIS) and LED

A fundamental and statutory component of the IDP process is community engagement and the public participation. Participation in the integrated development planning process is only one of the several arenas of participatory interaction between local government and citizens.

The municipality's strives to improve the participation of stakeholders in the IDP and Budget processes. In this review, that municipality intends to employ a number of innovative measures, which are aimed at enhancing the effectiveness and quality of stakeholder participation. Pursuant to this endeavour, the municipality plans to roll out in earnest, the Community-Based Planning process.

The KSD Municipality has since piloted Ward (Community) Based profiling as a basis for Ward Based Plans for each ward. However, due to the limited funds and capacity assistance would be solicited from Province and District Municipality.

2.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

2.4.1 REVENUE

- Municipality depends purely on grant for service delivery.
- Revenue base is mainly on Rates & Services.
- Low income generation from domestic & business customers.
- Manual processes of billing and collections.
- Non availability of customer care services beyond 24hrs.
- Officials and councillors not adhering to Municipal Systems Act Code of Conduct.
- Surveying of government land so as to provide ERF Numbers.

Recommendations

- Automate Systems
- Develop short, medium and long term revenue strategies.
- Timing arrangements with other countries for development.
- Resuscitate the 24hour customer service.
- Alternative ways of cash receipting & laying of electricity at convenient times.

2.4.1.1 SUPPLY CHAIN

- Contracts management
- Fictitious suppliers
- Government Employees crediting business with municipalities.
- Record keeping

Recommendations

- Engage external companies to deal with contracts management.

- Merge KSD systems with that of SARS for verification of suppliers.
- Alternate record systems.

2.4.2 ASSET MANAGEMENT

- Manual processes
- Transfer of land by government departments
- Challenges of land belonging to the Municipality yet the building belong to the government.
- Infrastructure assets.

Recommendations

- Automate the register /processes.

2.4.3 FINANCIAL REPORTING

- Poor Audit outcomes for 5years due to non-availability of documents, non-cooperation during audit.
- Manual p[rocesses
- Monthly recommendations not done.

Recommendations

- Change management
- Cooperation
- Implementation of corrective measures to address all findings.

2.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.5.1 Public Participation

Local government has been entrusted with the responsibility of ensuring involvement of communities, and community (civic) organisations in local government affairs. Outcome No.9 of 12 National Objectives refers to **“A RESPONSIVE ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM”**. Emphasis will be on Output No. 5 whose aim is to “Deepen democracy through a refined Ward Committee Model”. The municipality of KSD has structure and co-ordinate participation of communities in all municipal programs. It also supports functionality of ward committees and CDWs within the municipality.

The Council of the King Sabata Dalindyebo Municipality has adopted the Public Participation Policy and Public Participation Strategy to ensure that communities that are within the area of jurisdiction of KSD Municipality do participate in the policy formulation and implementation processes. The Public Participation Strategy is used as a tool to guide community consultation and participation during the preparation, monitoring and review of the IDP. The KSD Municipality Strategy is also meant to support and translate into reality the vision, mission and objectives of the municipality. During 2017/18 financial year the IDP & Budget Outreach programmes were done throughout the KSD jurisdiction called upon all her citizens to exercise their right to actively participate in the municipality's affairs to the fullest of their *abilities, endowments and human dignity*.

2.5.2 Participation in IDP and Budget Process

2.5.2.1 Ward Committees

Ward Committees are committees established in terms of Section 73 of Local Government: Municipal Structures Act, Act No. 117 of 1998, and they are also referred to as Section 73 Committees.

All of the 36 wards have fully established ward committees which are totalling to three hundred and sixty (360) and have been taken through some training in an attempt to orientate them to local government processes. The ward committees operate well and are fairly working very co-operative with Ward Councillors and community stockholders and

development committees which are ward committee sub-committees. The CDWs further assists ward committees to their respective wards assigned to them.

2.5.2.2 Community Development Workers (CDWs)

KSD municipality has 32 Community Development Workers who are working closely with Ward Councillors, ward committees, and other community structures in ensuring that services are delivered to the people.

The intention is to ensure that each and every ward has a Community Development Worker but due to limited resources and other logistics there are wards that still have no CDWs but are being serviced by other CDWs and Ward Committees with the coordination of a local (community) based coordinators.

2.5.2.3 Political Management Committee

The municipality of KSD aims at ensuring that the political structures within Council operate in harmony in order to fast track and enhance the process of service delivery and making the local government work. This includes striving for the effective and efficient political management of the Council through Multi-party Whippery System that enhances cohesion and consensus among all political parties in the Council. The municipality also aims to provide adequate information to Councilors and political parties in Council to enhance their capacity to influence meaningful decision-making.

Council took a resolution to have a full time Chief Whip and thus institutionalized the Office of the Chief Whip. Council Chief Whip performs duties as stated in the Council's delegated authority and as such Council adopted a policy on the functioning of the Office of the Chief Whip.

The Office of the Council Chief Whip established a political committee called Troika constituted by the Executive Mayor, Speaker and Council Chief Whip. This committee is coordinated and chaired by the Council Chief Whip and can when deemed necessary invite the Municipal Manager to the meeting. This committee provides strategic leadership for the local municipality to be able to effectively utilize the limited resources to achieve its objectives. The main function of this committee is that of ensuring political stability in the institution.

2.5.2.4 Whippery Support

Council took a resolution to have a full time Chief Whip and institutionalization of the Office of the Chief Whip. Council Chief Whip performs duties as stated in the Council's delegated authority. The council chief whip is the chairperson of the Whippy committee that meets once a month to conduct an audit of service delivery. All whips are also expected to present written reports on service delivery challenges, programs and projects taking place, achievements and any other issue that may impede service delivery in the institution.

2.5.2.5 Oversight Role of Council Section 79 and 80 Committees

The municipality has three fully functional Section 79 Committees that are managed and coordinated by the Office of the Speaker. Deliberations and recommendations of these committees are presented to Council for consideration. Currently, section 79 committees are as follows:-

- i. Rules Committee
- ii. Ethics and Members' Interests Committee
- iii. The Municipal Public Accounts Committee .
- iv.

Section 80 Committees are:-

The Council of King Sabata Dalindyebo Municipality is functioning well and its representation of Section 80 Council Standing Committees is structured as follows:-

- a) Mayoral Committee chaired by Executive Mayor: His Worship, Councillor D. Zozo
- b) Public Safety chaired by Councillor T. Machaea
- c) Rural & Economic Development chaired by Councillor G.N. Nelani
- a) Human Settlement and Disaster Management chaired by Councillor T. Mtirara
- b) Finance chaired by Councillor E. Mapekula
- c) Infrastructure chaired by Councillor N Sibeko
- d) Corporate Services chaired by Councillor L. Ntlonze
- d) Community Services chaired by Councillor Z. Madyibi
- e) Special Programmes chaired by Councillor M. Nyoka
- f) Research, Planning and IGR chaired by Councillor Z. Nokayi

- Speaker of the Council by Councillor N. Gcingca

- Council Whippy chaired: by councillor S. Nyengane
- Municipal Public Accounts Committee chaired by Councillor. T. G. Maqoko

2.5.2.6 Councillor Capacity Building Programs

The Office of the Speaker together with the Human Resources Department has in the past, working with different training institutions, trained Councilors (who were serving in the previous council) on the following courses:

- Executive Leadership
- Master's in Public Administration
- IDP and Budget
- Leadership Skills
- Change Management
- Project Management

2.5.2.7 War Room

The KSD Municipality is championing the war rooms which have been introduced by the government and functionally led by the Executive Mayor.

2.5.2.8 Council Meetings

There is approved Council Calendar that regulates the sitting of Council meetings and Council Committee meetings. The Office of the Speaker has fully complied regarding the sitting of Council meetings. The Office of the Speaker has facilitated contribution from the Councillors in laptops and cell phones as working tools. The intention with this step is to introduce paper-free, electronic council meetings, and to minimise transportation and printing costs. To assist the process, Councillors have received Computer literacy training.

2.5.2.9 Commitment to Community Participation

The KSDLM endeavours to ensure that ward committees are central to the development of IDPs and that they are aware of their role in local government. To this effect, a number of outreach programmes to the 36 wards were held by both the Office of the Executive Mayor and the Office of the Speaker. The Executive Mayor and her office visited 36 wards of KSD

local municipalities in October to November 2016 to craft the IDP and present the progress made in implementing the previous IDP. What transpired out of these meetings has been used to set the tone for the development priorities for the next five years. The theme of the outreach programmes was centred on the role of the community in Local Government programs. To give effect to effective public participation, the Office of the Speaker and Executive Mayor have provided budget to ensure successful and good public participation. A sound budget has been set aside under IDP Unit to conduct IDP awareness campaigns to assist communities to actively participate in the IDP, PMS and Budgeting processes.

2.5.2.10 Challenges to Public Participation

The public participation strategy set to address

- Proper monitoring, reporting and evaluation on the functionality of organs of civil society;
- Required support to the functioning of organs of civil society;
- Strengthening the collaboration between Traditional leaders and Ward Councillors in some areas;
- Ensure structured and well-coordinated public participation approaches; and
- Set conducive processes for petitions and complaints management (principles: Batho Pele /customer care).

2.5.2.11 Petitions and Complaints Management

The Office of the Speaker has a draft policy which seeks to regulate (1) the manner in which community members and stakeholders lodge their complaints/petitions, and (2) how the municipality handles such complaints/petitions. There is a petition register and dedicated personnel (Public Participation Officer) who deal with the complaints and related matters received from the Public. This function is currently facilitated through the Office of the Speaker.

2.5.2.12 Traditional Leadership and Councils

The KSD Municipality will endeavor to strengthen Council structures responsible for oversight role. This will enable accountability and transparency of Council to the community by ensuring sitting of council structures as per legislation. The municipality will ensure provision of support to council role players for effective and qualitative participation in local

government processes. The municipality also aims at developing a uniform approach on the participation and support of traditional leaders in council.

14 Traditional leadership and Traditional councils have been identified as an exclusively critical stakeholder in Local Government and as such, relations between these institutions and the municipalities present huge opportunities for advancing an impactful service delivery. The key issue identified is that the relations with traditional leadership are currently unstructured/ adhoc, not formalised. Apart from meetings of Traditional Leaders with the Executive Mayor and the IDP Roadshows, the only platform where they could participate in the IDP processes was through the IDP Representative Forum. This hampered the planning and speed of service delivery and reduction of service delivery backlogs as the attendance to these meetings was not good. During this term of council, twelve (12) traditional leaders have become part of municipal councils and as such the KSD Municipality is developing a clear programme focusing on enhancing service delivery through formalised partnerships and programmes with Traditional leadership institutions.

2.5.2.13 Social Cohesion

The Office of the Executive Mayor, together with the Special Programmes Unit, is implementing a number of programmes and activities aimed at promoting social cohesion in the communities of the KSD municipality. These include Sport activities (Mayors cup), co- operative support, and Mayoral Imbizo's, Arts and Cultural festivals, Horse racing, Nelson Mandela walk during his commemoration.

2.5.2.14 Intergovernmental Relations[IGR]

The King Sabata Dalindyebo municipality has prioritised IGR as one of its area of focus to strengthen as from 2013 and the future years. The KSDLM established a fully-fledged IGR structure that will incorporate all IGR activities in the municipality and also ensure that the structure is used as a reporting structure for all government activities. The KSDLM has appointed the IGR Manager who has a vast knowledge of local government affairs to drive and facilitate Presidential Intervention Programmes and Projects through work-streams. The appointed IGR Officer will further assist the office in facilitating the adoption of draft IGR framework. In the meantime KSD Municipality has its own full functional IGR forum that is chaired by the Executive Mayor to communicate its service delivery issues and related programmes.

2.5.2.15 MUNIMEC

The MUNIMEC has been established in terms of the provisions of the Intergovernmental Relations Act as a consultative forum between the Eastern Cape Provincial Government and the 45 municipalities in the Eastern Cape Province. To give credence to output 7 of delivery outcome 9, the provincial department of Local Government and Traditional Affairs is responsible for coordinating the activities of MUNIMEC. The MUNIMEC is attended by Mayors and Municipal Managers of municipalities. The department has also constituted a technical MUNIMEC which is a forum between the departmental management as led by the Superintendent General and the Municipal Managers from municipalities. At the technical MUNIMEC and the MUNIMEC, reports from the 6 district municipalities and the Nelson Mandela Metro, inter alia, whose main focus is progress with the implementation of the municipal turnaround strategies within the DM's and their constituent local municipalities as well as the Metro are presented and discussed. The KSDLM is actively participating in this Forum through our Municipal Manager.

2.5.2.16 District Mayors Forum: DIMAFO

The District Mayors Forum of OR Tambo sits quarterly to align key programmes and issues between municipalities. DIMAFU is a Section 79 Committee which is a special committee of council made up of Councillors (in this case the Mayors of the local municipalities and the Executive Mayor) that deals with issues within the Municipal Managers office (communications, IGR, Special Programmes dealing with Women, Youth, Disabled, People living with Aids, Elderly and Children) as well as internal audit functions. Key elements that form part of the performance of the municipal manager also form part such as statutory compliance issues. The King Sabata Dalindyebo local municipality is attending these meetings on invitation by the Executive Mayor of the District.

2.5.2.17 SALGA Working Groups

In order to share best practices in local government, SALGA has established a cluster of working groups. These working groups are replicated at a provincial level, and their structuring sometimes transcends the municipality's departmental divide.

It has been reported that the working groups are not functioning optimally, predominantly due to the inadequate participation of municipalities, either through not attending or sending inappropriate representatives. The King Sabata Dalindyebo Local Municipality has not been strong in its participation in the working groups, as it is only the Human

Resources, Governance and Infrastructure working groups in which a reasonable level of representation has been achieved.

2.5.2.18 Communications

KSDM has a Communications Unit that informs, empowers and encourages citizens to participate in democracy and improve the lives of all. This helps in ensuring coherence of messages, open and extended channels of communication between municipality and the community, towards a shared vision.

A draft marketing and Communication Strategy is in circulation pending Council approval.

Challenges relating to marketing and communication;

- Communications units not sufficiently resourced in terms of Human Resources and finances (communications units only have two official and one intern)
- Inconsistency in updating information in the municipal website;
- Negative perceptions in the Media;
- Internal communication is not done properly;

2.5.2.19 Municipal Legal services

KSD Municipality has Legal Services Unit in place and functional under Corporate Services Department though still a need to attend to its staff compliment. The Municipality has a draft litigation policy in place, workshopped, tabled before council for approval and litigation register is in place. The municipality still faced with some challenges relating to legal matters.

2.5.2.20 Special groups

The South African democratic government has adopted a social agenda that is developmental in nature. As part of its commitment to the equal development of all its citizens, the South African government has channelled material resources and time towards the improvement of the living conditions of the vulnerable groups. Government has also passed legislations that seek to protect the rights of the vulnerable groups.

Twenty- three years after the advent of the democratic government, with all the progressive legislations and resources dedicated to the vulnerable groups, women, children, the elderly, the young people, people with disabilities and HIV/Aids are still experiencing high levels of isolation, discrimination and abuse. The high poverty conditions that prevail in our communities further exacerbate the harsh conditions and poor treatment that these groups are exposed to.

Local government as the sphere of government that is closer to the people is better placed to drive and implement responses that seek to improve the conditions of these groups. In responding to the needs and challenges faced by the vulnerable groups, municipalities are expected to ensure the establishment of effective and well-coordinated mechanisms targeting the identified sections of the population.

2.5.2.21 The Special Programmes Unit (SPU)

The Special Programmes Unit in the KSDLM was established in 2006 as a result of Chapter 9 of the Constitution. Special Programmes unit is not a fully-fledged Unit, it is functioning with two employees, that is, one is at junior level and the other one is on contract. Budget is always a challenge

Focus areas are as follows:

- HIV and AIDS Programmes
- Programmes for people with disabilities
- Youth development
- Elderly and children
- Gender issues and empowerment

The Unit assists in the formulation of policies, and in identifying gaps in policies and implementation of such policies in favour of women, people with disabilities, the aged and children. The SPU has developed the following strategies and/ or plans to drive programmes focusing to the special groups:-

- a) HIV/AIDS Strategy
- b) Strategy for the people with disabilities
- c) Youth Strategy
- d) Gender based strategy

2.5.2.22 Mainstreaming of Designated Groups

Mainstreaming is the main function of the Special Programmes Unit so as to ensure that the municipal Council complies with the Constitution, the Bill of Rights, policies and other pieces of legislation.

2.5.2.23 Coordination and Mobilization

The Special Programmes Unit (1) coordinates government departments and other stakeholders in order to ensure that programmes for designated groups are developed and implemented and (2) mobilizes all vulnerable groups to be part of development plans and processes.

2.5.2.24 Monitoring and Evaluation

The Special Programmes Unit generates national, sub-regional, regional and international reports, which provide progress reports, assessed against benchmarks, and also monitors and evaluates the implementation of policies.

2.5.2.25 Capacity-building

This entails the strengthening of government's systems, processes and structures to ensure delivery sensitive to youth, women, people with disabilities, elderly and children and to ensure that vulnerable people are empowered and capacitated so that they able access socio-economic opportunities.

2.5.2.26 Advocacy and Lobbying Women, People with Disabilities and Youth

To spearhead public awareness and education for the promotion of mainstreaming youth, women, people with disabilities, elderly and children interests and programmes issues into Government programmes with extensive campaigns associated with national and international days, KSD Municipality has developed several strategies that deal with women, youth, people with disabilities in order to champion the mainstreaming of the issues of Special Groups. The Special Programmes Unit has to ensure that the development and needs of the designated are always a priority in development agenda, as enforced by a number of Acts, policies, charters as well as the Constitution of the Republic of South Africa. KSD Municipality has sourced funding from DEDEA to pilot leatherworks project which is identified as Khuphukani Leatherworks Pilot Project.

2.5.2.27 Municipal Partnerships

Municipality	Type of partnership	Programme
Mhlontlo LM	Corridor development	<ul style="list-style-type: none">• Mthatha & Mabheleni Dam• Ugie Langeni road development• Langeni Forestry development
Mhlontlo Local Municipality	Social cohesion	Horse racing event
S.T Lucia (Republic Union)	Social cohesion	Promoting cultural attraction & tourism development
eThekweni Metro Municipality	Security & safety	Piloting CCTV project
City of Surrey (Canada)	Mainstreaming environmental concerns in local economic development	Building Inclusive Green Municipalities

2.5.2.28 HIV and AIDS Programmes

KSD Municipality developed a strategy on Poverty Alleviation livelihoods which are under review to specifically look into the scourge and stigma associated with the people, either affected or infected by AIDS and lessening poverty levels. A number of community gardens projects and continuous awareness campaigns are undertaken with the assistance of Department of Health, Social Development, OR Tambo District Municipality and Non-Government Organisations. The Department of Local Economic Development of KSD Municipality has set aside a fund to the tune of One Hundred and Fifty Thousand Rand (R150 000, 00) for each of the 36 wards to fight poverty and people living with AIDs.

2.5.2.29 Local Government Management Improvement Model (LGMIM)

It is within the spirit of building a capable state through adopting longer term strategies that the Department of Planning, Monitoring and Evaluation (DPME) in collaboration with the Department of Public Service and Administration (DPSA), National Treasury (NT), Office of the Auditor General (AG), Department of Cooperative Governance (DCoG), Public Administration Leadership and Management Academy (PALAMA) and Offices of the Premiers (OTP) launched the MPAT (Management Performance Assessment Tool) in October 2011 in support of achieving Outcome 12 “An Efficient, Effective and Developmental Orientated Public Service”.

Provincial and National Departments have to date gone through 4 self-assessments cycles of the MPAT. MPAT aims to assess compliance and the quality of management practices within national and provincial departments.

LGMIM is a framework to measure, monitor and support improved management practices in municipalities for quality service delivery and increased productivity.

The quality of management practices is key to improving performance, productivity and service delivery within the public sector.

The Department of Planning, Monitoring and Evaluation is dedicated to helping municipalities complete their LGMIM assessment, and subsequently developing and implementing associated improvement plans to address issues of concern. LGMIM provides an integrated and holistic view of a municipality's performance across six key performance areas: Integrated Planning and Implementation, Service delivery, Human Resource Management, Community Engagement, Financial Management and Governance. This unit is experiencing challenges of staff shortage.

KSD under MM's Office has established a unit to monitor and evaluate institutional performance using LGMIM practices and one official is in place for the function.



CHAPTER THREE: DEVELOPMENTAL OBJECTIVES AND STRATEGIES

3. DRAFT IDP STRATEGIES AND OBJECTIVES FOR 2018/19 REVIEW

The King Sabata Dalindyebo Municipality conducted a Strategic Planning Session held on the 19th March – 20th March 2018 at Mthatha Multi-purpose stadium, where all stakeholders participated, including Executive Mayor, Mayoral Committee, Councillors, Managers, Sector Departments, Traditional Leadership and other stakeholders.

This session was held in an effort to improve service delivery. The strategic planning workshop was targeted to at least inform or emerge with the following:

- Review of targets for the 2018/19 financial year
- Projection of resource requirements and availability for the year
- Review strategies and objectives
- A Service delivery improvement plan also focusing on prioritising measures/ interventions needed to speed up service delivery.
- A clear focused spatial linkage of the prioritised interventions to ensure alignment with the SDF and geographic spread to ensure access to services and development by all communities in the municipality

MUNICIPAL PRIORITIES FOR 2017/2022 / KEY FOCUS AREAS

1. Basic Service Delivery & Infrastructure Development
2. Local Economic Development
3. Financial viability and management
4. Institutional Transformation and Development
5. Good Governance and Clean Administration

The Objectives and strategies are developed in line with the municipal priority focus areas which are outlined below and taking in into cognisance of Local Government Key Performance Areas;

- Basic Service Delivery & Infrastructure Development
- Financial viability and management
- Local Economic Development
- Institutional Transformation and Development
- Good Governance and Public Participation

3.1 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

OBJECTIVE: TO PROVIDE BASIC SERVICE DELIVERY IN A SUSTAINABLE MANNER BY 2022								
STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Provision of roads and storm water drainage infrastructural services within KSD	45664.30m ²	3.1.1 50000m ² of surface roads repaired and maintained by June 2019	3.1.1.1 Roads, Street Repairs and Resealing of urban roads	250000M ² of Urban Roads repaired	50 000m ² Roads, Str Repair / Resealing of urban roads	R171,144,446,908	Urban wards	Director: Technical Services
	51761m	3.1.2 50 000m of Storm water infrastructure in the Urban Areas and roads by June 2019	3.1.2.1 Management of Storm-water infrastructure	200 000 m of storm- water infrastructure maintained.	40 000 m of Storm water infrastructure in the Urban Areas and roads rehabilitation	R3 685 500,000	Urban wards	Director: Technical Services
	435.69 km	3.1.3 4000km of of gravel roads in the in KSD repaired and maintained by June 2019.	3.1.3.1 Repairs and Maintenance of gravel roads in the KSD Areas	4000km Km of gravel roads maintained annually	4000km Rural Roads Maintenance/Re-gravelling and Blading	R3,927,512,995	All 36 Wards	Director: Technical Services
	100 km	3.1.4 100km of raods constructed and rehabilitated by June 2019	3.1.4.1 Prepare and implement a 3 Year capital Plan that is responsive to developmental needs identified in the IDP	500 km of roads constructed as per the 3 year capital plan (MIG)	100 km of roads constructed	R74 722 841	Rural & urban wards	Director: Technical Services
Provision of electricity infrastructural services within KSD	1000 households electrified	3.1.5. 500 households electrified by June 2019	3.1.5.1 Mthatha West –phase 2 Electrification: Mayden farm extension Electrification	1 500 Electrified households	500 households electrified	R6 122 750 (Mthatha West) R7 554 500 (Mayden farm)	Mthatha West Mayden farm extension	Director: Technical Services

OBJECTIVE: TO PROVIDE BASIC SERVICE DELIVERY IN A SUSTAINABLE MANNER BY 2022

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	Old and dilapidated electrical infrastructure	3.1.6 1 km of Cable network refurbished by June 2019	3.1.6.1 Electricity Infrastr, Mains & Cable refurbishment	5 km of Cable network refurbished	1km Mains & cable refurbished	R4,906,965,17	Mthatha urban	Director: Technical Services
	Old and dilapidated electrical infrastructure	3.1.7 4.08 km of overhead line constructed by June 2019	3.1.7.1 Construction of 66kv overhead line from Mbuqe to Unitra	13km of 66 kv Overhead Line constructed and refurbished	Construction of 66kv overhead line from Mbuqe to Unitra	-	Mthatha urban	
	Old and dilapidated electrical infrastructure	3.1.8 Electrical tools for bulk demand & energy procured to secure electrical assets susceptible to vandalism and sabotage by June 2019	3.1.8.1 Procurement of 10 high voltage switching suits, 14 link sticks,14 set of working earth sets, 4 phasing sticks, 14 sets of climbing shoes and 14 ladders	Procurement of 10 high voltage switching suits, 14 link sticks,14 set of working earth sets, 4 phasing sticks, 14 sets of climbing shoes and 14 ladders	Delivery of Procured tools (10 high voltage switching suits, 14 link sticks,14 set of working earth sets, 4 phasing sticks, 14 sets of climbing shoes and 14 ladders)	R283 069,50 (mains & cables)	All wards	Director: Technical Services
	Old and dilapidated electrical infrastructure	3.1.9 10KM of refurbished	3.1.9.1 Refurbishment of Vulindlela and Vulindlela feeders	Refurbished and maintainance of Vulindlela and Vulindlela feeders	10KM of refurbished	-	Mthatha urban	Director: Technical Services
	Refurbishment of kv substations	3.1.10 14 x 11kV substations Refurbished	3.1.10.1 Refurbishment of kv substations	14 x 11kV substations refurbished	Refurbishment of substations	R222,358,00	Mthatha urban	Director: Technical Services

OBJECTIVE: TO PROVIDE BASIC SERVICE DELIVERY IN A SUSTAINABLE MANNER BY 2022

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	Existing Traffic lights	3.1.11 25 intersections of Traffic lights inspected and maintained	3.1.11.1 Maintenance of Traffic lights	25 intersections of Traffic lights inspected and maintained	Traffic lights maintenance	R3,093,822,459	Whole of municipality	Director: Technical Services
	400 street lights maintained	3.1.12.1 500 street lights repaired by June 2019	3.1.12.1 Repairing of 500 and installation of 200 street lights	500 street lights repaired/ maintained and 200 installed	500 street lights maintained and 25 installed	R3,225, 000,00 (grant) R303 915,50 (Own funding)		Director: Technical Services
	400 highmast lights installed	3.1.13 5 in Mqanduli and 25 in Mthatha highmast lights installed	3.1.13. Installation of highmast lights in Mthatha & Mqanduli	50 highmast lights installed in Mthatha and 20 in Mqanduli	5 in Mqanduli and 25 in Mthatha highmast lights installed	R872,780,00 (Mqanduli-grant) R2,524, 998,00 (Mthatha-grant) R347 610,50 (Own funding)		Director: Technical Services
	Annual Council Christmas Lights ceremony	3.1.14 Christmas lighting ceremony	3.1.14.1 Council annual tree lighting ceremony	Council annual tree lighting ceremony	Christmas Lights ceremony		Whole of municipality	Director: Technical Services
Develop energy saving strategies	Currently Business Plan for Street Lights retrofit approved and implemented 4208 street lights retrofitted Approved EDSM Strategy	3.1.15. Implement Energy Efficiency Strategy Implement Energy Efficiency Demand Side Management Programme	3.1.15.1 Implement Energy Demand Side Management Programme 3.1.15.2 Conduct energy audits in street lights, municipal buildings & Water & Sewage Works 3.1.15.3 Retrofit main streets in the CBD using energy saving lights	Implement Energy Efficiency Strategy Implement Energy Efficiency Demand Side Management Programme	EDSM implemented	R8, 000 000,00	Mthatha & Mqanduli urban functional areas	Director: Community Services

OBJECTIVE PROVISION OF INTEGRATED SUSTAINABLE HUMAN SETTLEMENTS BY 2022

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGETS	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Co-ordination & Provision of integrated human settlements	292 houses built	3.1.16 Maydene Farm Ext. Project A 360 units built	3.1.16.1 Construction of 360 units at Maydene Farm Ext.	1317 units constructed	Maydene Farm Ext. 360 units built	R23, 994,300,00	Ward 09	Director: Human Settlements
	134 houses built	3.1.17. Kei Rail 537 sites serviced	3.1.17.1 Construction of Kei Rail Services for 537 sites	537 sites serviced	Kei Rail 537 sites serviced built	R39,940, 920,00	Ward 4	Director: Human Settlements
	21 existing houses & 131 sites serviced	3.1.18 New Brighton 131 units built	3.1.18.1 Construction of New Brighton 131 units	131 units built	New Brighton 131 units	R39, 940 ,920,00	Ward 09	Director: Human Settlements
	Informal shacks	3.1.20 MEC resolutions on donation of land	3.1.20.2 Upgrading of informal settlements to formal townships	Finalisation of land donation by the State& upgrading of informal settlements to formal townships	Phola Park Installation of Services 550 Sites	-	Ward 08	Director: Human Settlements
Co-ordination & Provision of integrated human settlements	Mthatha Landfill site reached full capacity permitted to close	3.1.21 Established new landfill site in ward 33 in Mthatha & rehabilitation of Mthatha and Mqanduli Construction of a new landfill site complying to all new regulation Rehabilitation of Mqanduli & Mthatha landfill site	3.1.21.1 Rehabilitate Mqanduli & Mthatha waste site to meet permit requirements Develop a new Solid waste site complying to landfill Disposal Norms & Standards	New landfill site in ward 33 in Mthatha & rehabilitation of Mthatha and Mqanduli Construction of a new landfill site complying to all new regulation Rehabilitation	<ul style="list-style-type: none"> Rehabilitated Mthatha landfill site New landfill site constructed in Mthatha Mqanduli landfill site rehabilitated 	R279,452,604,00	Ward 03,33 & 29	Director: Community Services

OBJECTIVE PROVISION OF INTEGRATED SUSTAINABLE HUMAN SETTLEMENTS BY 2022

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGETS	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Co-ordination & Provision of integrated human settlements	Poor standard of public toilets in Mthatha ,Coffee Bay 11, Mqanduli 15, Hole in the wall The whole total number for KSD M both male and female toilets 67	3.1.22 No. of ablution facilities upgraded No. of ablution facilities constructed in compliance with Health Act and RSA Constitution	3.1.22.1 Upgrading of existing ablution facilities in Mthatha, Mqanduli and Coffee Bay and also construction of a new block of ablution facility in Mthatha 3.1.22.2 Secure a piece of land for construction of ablution facilities in Mthatha 3.1.22.3 Provision of user friendly ablution facilities in compliance with Health Act and RSA Constitution	Secured piece of land for construction of ablution facilities in Mthatha & upgraded existing ablution facilities in Mthatha, Mqanduli and Coffee Bay	Secured piece of land for construction of ablution facilities in Mthatha & upgraded existing ablution facilities in Mthatha, Mqanduli and Coffee Bay	-	Mthatha & Mqanduli functional urban areas	Director: Community Services
	No. of non- serviced households have access to refuse removal service in both urban and rural	3.1.23 Increase No. of household receiving once weekly communal waste collection using Household Contractors & Co operatives	3.1.23.1 27 562 households receive refuse removal service once a week	Increased access to refuse removal service in non-serviced households both urban and rural	Provide refuse collection service to 50 000 households	R60 339,50	Urban & peri-urban wards	Director: Community Services

OBJECTIVE PROVISION OF INTEGRATED SUSTAINABLE HUMAN SETTLEMENTS BY 2022

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGETS	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Co-ordination & Provision of integrated human settlements	-Existing Northcrest cemetery -Cemetery- Funeral Fees-	3.1.24 -Northcrest cemetery fenced -Full transfer of pauper burial function to the district as part of devolution of municipal health services, District not paying for pauper burial resulting in unfunded mandates for pauper burials	3.1.24.1 -Fencing of Northcrest cemetery -Transfer of pauper burial function to the district as part of devolution of municipal health services, District not paying for pauper burial resulting in unfunded mandates for pauper burials	-Fenced Northcrest cemetery -Function of pauper burial to the district as part of devolution of municipal health services	-Fenced Northcrest cemetery -Function of pauper burial to the district as part of devolution of municipal health services	R61, 750,000,00	Ward 04	Director: Community Services
Co-ordination & Provision of integrated human settlements	Existing Mthatha cemetery	3.1.24 -Secured Land for new cemetery, completion of new cemetery & Community Land Resolution signed	3.1.24.1 Development of the new cemetery	Development of the new cemetery services	Feasibility study for establishment of new cemetery	-	Ward 04	Director: Community Services
	Existing Mthatha cemetery	3.1.25 Rehabilitation of the Cemetery1	3.1.25.1 Rehabilitate Mthatha Cemetery towards closure 3.1.25.2 Securing and greening of the new cemetery	Secured Mthatha Cemetery with guards	Secured Mthatha Cemetery with guards	-	Ward 04	Director: Community Services

OBJECTIVE PROVISION OF INTEGRATED SUSTAINABLE HUMAN SETTLEMENTS BY 2022

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGETS	BUDGET ALLOCATION	LOCATION	CUSTODIAN
<p>Sports Development: Promotion of local teams and athletes.</p> <p>Benchmarking Collaboration/ partnerships. Development of Cinderella codes e.g. Swimming; squash; tennis Promote Indigenous games in partnership with DSRAC</p>	Existing Mthatha Stadium & Rotary Stadium	<p>3.1.26 Upgraded Mthatha Stadium & Revitalised of Rotary Stadium node (Including swimming pool)</p> <p>Sports facilities at ward level starting with zones Temporary structures for boxing activities</p>	3.1.26.1 Mthatha Stadium & Revitalisation of Rotary Stadium node (Including swimming pool)	<p>2 Stadiums</p> <p>Facilities 1boxing structure</p>	Mthatha Stadium & Revitalisation of Rotary Stadium node	R530, 000,00 Roatary Stadium) + R200, 000,00 (Mthatha Stadim)	Ward 02, 06	Director: Community Services
Community Development	Existing Community Halls	3.1.27 2 Community hall	3.1.27.1 Construction of community halls	8 Community halls	2 Community halls	<p>R463 753 (Luthuthu community hall)</p> <p>R151 500 (New Payne Community hall)</p> <p>R753 078 (Mdeni community hall)</p>	<p>Luthuthu (Ward 32)</p> <p>New Payne (Ward 30)</p> <p>Mdeni (Ward 15)</p>	Director: Technical Services

3.2 LOCAL ECONOMIC DEVELOPMENT

OBJECTIVE: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT								
STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Agriculture development		3.2.1 Facilitated creation of 400 jobs in the Agricultural sector by 2018	<p>3.2.1.1 Mqanduli 22 maize cluster production for livestock; vegetable production;</p> <p>(Homestead) - food gardens)</p> <p>Feedlot / red meat production (hides and skins) and Feed</p> <p>Wool Clip Commercialisation</p> <p>Wild Coast SEZ Mthatha Airport Hub</p> <p>Feasibility study of affordable technology to deter stock theft using technology</p> <p>Agri-park</p> <p>Community Works Programme (CWP)</p>	Facilitate the Increase of employment -2000 jobs	Facilitated increase of employment by 400 jobs through LED implementation programmes	R1 500,00 (Mqanduli milling plant) R13 245,02 (Wool clip)	All wards	Director: Rural & Economic Development

OBJECTIVE: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	33 Co-operatives benefited in cleaning and greening projects 145 EPWP beneficiaries engaged in cleaning & Beautification projects	3.2.2 24 Co-operatives operational & 1500 EPWP work opportunities created	3.2.1 Provision of EPWP Work opportunities through Co-operatives development & Expanded Public Works Programme (EPWP)	Incentive grant is received from DPW No of EPWP Work Opportunities generated No of Co – operatives engaged for cleaning and greening initiatives	24 Co-operatives operational & 1500 EPWP work opportunities created	R1 977 000,00	All wards	Director: Community
	44 Youth job opportunities created for environmental awareness	3.2.3 Number of job opportunities created, number of waste awareness campaigns conducted, 44 jobs opportunities created	3.2.3.1 Creation of environmental awareness through "Youth Jobs in Waste	Number of job opportunities created, number of waste awareness campaigns conducted, 44 jobs opportunities created	Number of job opportunities created			
Timber development	Facilitate creation of 200 jobs in the Timber and Furniture manufacturing sectors by 2019.		3.2.3.2 Facilitate development of association as beneficiation enterprise 3.2.1.3 Facilitate Furniture factory establishment. 3.2.3.4 Strategic plan for the development of Langeni node 3.2.3.5 Development of forestry corridor in OR Tambo	1000 jobs created in Furniture manufacturing and Timber sector.	200 jobs created through implementation of projects.	-	Ward 29, 15,16,18, 19	Director: Rural & Economic Development

OBJECTIVE: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Industrial development		3.2.4 500 jobs created through beneficiation projects by 2019.	3.2.4.1 Developing of MasterPlan for Vulindlela Industrial Hub. 3.2.4.2 Facilitation of building more strategically located comfort zones for industrial initiatives 3.2.4.3 Local beneficiation and localization strategy Development of By Laws	2500 jobs created through facilitating implementation of projects outlined.	500 jobs created through implementation of projects.	-	Mthatha urban	Director: Rural & Economic Development
Construction development		3.2.5 100 SMME's capacitated through programmes by 2019.	3.2.5.1 Implement KSD Contractor development programme 3.2.5.1 Partnership with SEDA construction and CIDB. 3.2.3.5 Black Supplier support	500 SMME's capacitated through programmes.	100 SMMEs capacitated through skills transfer and job opportunities.	-	All wards	Director: Rural & Economic Development
Oceans Economy development		3.2.6 100 Jobs created through implementation of projects by 2019.	3.2.6.1 Aquaculture Development initiatives (Farms) Mapuzi Small Harbour Small Marine at Coffee Bay Small Scale fishing in Coffee Bay & Hole in the Wall	500 Jobs created through implementation of projects.	100 jobs created through implementation of projects.	R2 609,75 (Coffee-Bay town)	Ward 24	Director: Rural & Economic Development

OBJECTIVE: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	Pilot of the self-service chalets in Lutshaba Nature Reserve Number of Job opportunities created during the project	3.2.7 Established accommodation facilities by constructing self-service chalets in Lutshaba Nature Reserve	3.2.7.1 Establish accommodation facilities by constructing self-service chalets in Lutshaba Nature Reserve Ward 12 Promote People & Parks Programme	Established accommodation facilities which is DEA funded People & Parks project underway in Ward 12	Promote People & Parks Programme Rehabilitation of Public Open Parks & Recreational facilities	-	Lutshaba Nature Reserve, Ward 12	Director: Community Services
	25 EPWP Beneficiaries	25 EPWP Beneficiaries working for the coast programme	3.2.8.1 Working for the Coast Programme	Working for the Coast Programme implemented through DEA funding	Implement Working for the Coast Programme targeting cleaning from Source to Sea	-	Ward 24	Director: Community Services
Biodiversity and Land Care	Land Rehabilitation Project implemented in Ward 14,15,16 & Ward 31	3.2.9 Implemented Land Rehabilitation and Biodiversity Projects, Integrated Environmental Management Act Plans, Number of wards benefiting from the project and % implementation of the soil conservation and land restoration programs	3.2.9.1 Biodiversity and Land Rehabilitation	Implementation of Biodiversity and Land Rehabilitation Programme being implemented	- Clearing of alien invasive plant in Ward 25, Ward 19 & Ward 23 - Planting of Indegenous trees in Ward 19, 23 & Ward 25 - Land Rehabilitation in Ward 14, 15, 16 & 31	- Depending on DEA allocation	Clearing of alien invasive plant in Ward 25, Ward 19 & Ward 23 Planting of Indegenous trees in Ward 19, 23 & Ward 25 Land Rehabilitation in Ward 14, 15, 16 & 31	Director: Community Services

OBJECTIVE: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	No Biodiversity and Soil Conversation through Land Rehabilitation program	3.2.9 Implemented Land Rehabilitation and Biodiversity Projects, Integrated Environmental Management Act Plans, Number of wards benefiting from the project and % implementation of the soil conservation and land restoration programs	3.2.9.1 Land Rehabilitation Programme being implemented in Ward 14, 15, 16 & 31.	Land Rehabilitation Programme being implemented in Ward 14, 15, 16 & 31.	Land Rehabilitation Programme operational in 1 ward.	-	Ward 14, 15, 16 & 31.	Director: Rural & Economic Development
Facilitate the provision of financial support to 100 informal traders and 100 SMME's by 2019.	Support facilitated for 80 informal traders and 50 SMMEs.	3.2.10 100 informal traders supported and 100 SMMEs supported.	Informal trade Market development and development of trade areas. Industrial Clustering and Capacity building. Piloting and development of comprehensive business plan	500 informal traders supported and 500 SMMEs supported.	100 informal traders supported and 100 SMMEs supported through implemented projects.	R7 500,00	All wards	Director: Rural & Economic Development
Facilitate Skills development for 50 cooperatives and 50 SMMEs by 2019.	100 cooperatives and 100 SMMEs capacitated.	3.2.11 50 Cooperatives and 50 SMME support programme	3.2.11.1 Skills development in Cooperatives and SMME support programme Contractor development programme Small scale fishing	250 capacitated SMME's / 250 Cooperatives capacitated.	SMME Development & Empowerment through skills capacitation for 50 SMMEs and 50 cooperatives.	R56 500,00	All wards	Director: Rural & Economic Development

OBJECTIVE: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Attract one new investor, internally and externally by 2019.		3.2.12 1 new Investment commitment.	3.2.12.1 Development of KSD Investment brochure (including land audit) Host Business and investment expo	5 New Investors attracted.	1 new investment commitment facilitated.	-	All wards	Director: Rural & Economic Development
Embark identification and mapping of key resource endowments in 36 wards by 2019.	Mapping of key resource endowments per ward	3.2.13 Resource mapping conducted in all 36 wards.	3.2.13.1 Mapping of key resource endowments per ward	Mapping of key resource endowments in 36 wards	Field study & Resource mapping conducted in 36 wards.	-	All wards	Director: Rural & Economic Development
Target youth specific activities and development programmes to create employment of 100 unemployed youth by 2019.		3.2.14 Create employment for 100 youth through implementation of programmes.	3.2.14 Design Expo, ICT innovation programme, Up skilling unemployed graduates (Incubation programmes) Tourism Programme for youth e.g. TEP, Lifeguard facilities and services Partnership with SAMSA (South African Maritime Security Agency)	500 youth jobs created	Facilitate creation of 100 youth jobs through implementing programmes.	-	All wards	Director: Rural & Economic Development

OBJECTIVE: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Facilitates tourism development programmes and initiatives	2015/16 Tourism Months programmes Current Tourism packaged projects	3.2.16 Implemented Tourism months activities as per tourism concept document & Tourism packaged projects- 500 Jobs	3.2.16.1 Branding of OR Tambo as shopping node 3.2.16.2 Business Expo's focusing of franchising on all investors and SMME's 3.2.16.3 Liberation Route : Qunu, Mvezo, Mqokezweni/ Baziya triangle, Nelson Mandela Cultural Precinct 3.2.16.4 Water sports 3.2.16.5 Wild Coast Hiking trail - Fisherman's museum 3.2.16.6 Traditional horse racing 3.2.16.7 Mandela Cultural precinct 3.2.16.8 KSD heritage project 3.2.16.9 Branding of KSD area 3.2.16.10 Mthatha Dam resort 3.2.16.11 Wild Coast Tourism Route 3.2.16.12 Nduli Nature Reserve Conference and EE Centre 3.2.16.13 Airport Development 3.2.16.14 Tourism development & Marketing events 3.2.16.15 Arts & Culture events	-Tourism months packaged projects as per approved tourism concept document -Tourism packaged projects	-Implementation of KSD Tourism month as per approved concept document -Implementation of Tourism packaged projects	R1 761 548,87	KSDL	Director: Rural & Economic Development

3.3 FINANCIAL VIABILITY

OBJECTIVE: TO PROMOTE AND ENHANCE FINANCIAL VIABILITY

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Debt collection	Poor debt collection	3.3.1 Significant reduction in outstanding debtors and improved current debt collection ratio. increased revenue generation to respond to service delivery needs for the KSD community	3.3.1.1 Assess debtors and employ debt collection strategy	Send notices to the assesses debtors/ consumers	Improved revenue collection through various processes.	R10 000 000,00	Whole of municipality	BTO
Financial Recovery Plan	Financial Recovery Plan	3.3.2 Municipal finances stable and cash flows improved	3.3.2.1 Financial Recovery Workshop Establish municipal revenue collection team composed of all revenue collecting departments	Review and implement financial recovery	Reviewed Financial Recovery Plan/ Strategy	-	Head Office	BTO
Reconcile general and supplementary valuation to the general ledger		3.3.3 Valuation roll agreeing to the billing information	3.3.3.1 Review valuation to General and billing	Agree Valuation to GL and billing information	Valuation roll agreeing to the billing information	R 2 500 000,00	Whole of municipality	BTO
General valuation		3.3.4 Accurate Valuation roll is implemented	3.3.4.1 Conduct valuation roll	Accurate Valuation	Accurate Valuation			

OBJECTIVE: TO PROMOTE AND ENHANCE FINANCIAL VIABILITY

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Revenue generation capacity	No commercial waste section	3.3.5 No of posts filled for Commercial Unit No of contracts signed with businesses for refuse collection No of permits issued to waste transporters & Waste Recyclers Revenue collected from Mthatha & Mqanduli landfill site	3.3.5.1 Establish a commercial unit for Waste section. 3.3.4.3 Conduct verification of business waste generators & review database of all waste generators in KSD 3.3.4.4 Categorize businesses identifying big business as potential consumers for cost recovery 3.3.4.5 Present business proposal for refuse collection with big business 3.3.4.6 Collect refuse charges at the landfill sites	Cost recovery on refuse collection All waste generators are billed Dedicated team for refuse removal cost recovery & revenue enhancement. Refuse disposal tariff at landfill sites implemented Service charges at the landfill site.		-	Whole of municipality	BTO
Commercial refuse collection	Contracts signed with businesses for refuse collection Permits issued to waste transporters & Waste Recyclers Revenue collected from Mthatha & Mqanduli landfill site	3.3.6 Commercial unit for Waste section , conduct verification of business waste generators & review database of all waste generators in KSD & categorize businesses identifying big business as potential consumers for cost recovery	3.3.6.1 Collection of revenues from waste collection	Commercial refuse collection	Commercial refuse collection			

OBJECTIVE: TO PROMOTE AND ENHANCE FINANCIAL VIABILITY

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Implementation of indigent policy and bylaws d ensure that all relevant stakeholders are represented in the FBS forum / Steering committee		3.3.7 Qualifying indigent being subsidized for the basic services	3.3.7.1 Implementation of indigent policy and bylaws	Implementation of indigent policy and bylaws	Implementation of indigent policy and bylaws	R24 000 000,00	Whole of municipality	BTO
Make a contribution into the Budget and IDP process Align Mscoa compliant Budget with IDP to ensure credibility (annually) by 2022		Budget and IDP process aligned to meet Mscoa requirements	Budget and IDP process aligned to meet Mscoa requirements	Reviewed Budget and IDP process	Reviewed Budget and IDP process	R90 500,00	Whole of municipality	BTO
Generate and submit revenue and expenditure reports to departments as part of monitoring process annually. Prepare procurement plans and implement with the budget annually		Generate and submit revenue and expenditure reports to departments as part of monitoring process annually. Prepare procurement plans and implement with the budget annually	Generate and submit revenue and expenditure reports to departments as part of monitoring process annually. Prepare procurement plans and implement with the budget annually	Generate and submit revenue and expenditure reports to departments as part of monitoring process annually. Prepare procurement plans and implement with the budget annually	Generate and submit revenue and expenditure reports to departments as part of monitoring process annually. Prepare procurement plans and implement with the budget annually	-	Whole of municipality	BTO
Participation on the G & C work streams		3.3.8 Full participation and contribution on the PI and G&C work stream	Full participation and contribution on the PI and G&C work stream	Full participation and contribution on the PI and G&C work stream	Full participation and contribution on the PI and G&C work stream	-	Whole of municipality	BTO
Prepare procurement plans and implement with the budget annually		3.3.9 Budgets supported by accurate process plan	Budgets supported by accurate process plan	Budgets supported by accurate process plan	Budgets supported by accurate process plan	-	Whole of municipality	BTO

OBJECTIVE: TO PROMOTE AND ENHANCE FINANCIAL VIABILITY

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Improve internal controls for clean administration for the communities of KSD by 2017 for continuous implementation of policies, systems and legislation		3.3.10 Ensure all budget related policies are reviewed and implemented		All budget related policies are reviewed and implemented	All budget related policies are reviewed and implemented	-	Whole of municipality	BTO
Implement the standard chart of accounts by 01 July 2017 Implement NT financial delegations		3.3.11 NT Delegations fully implemented	3.3.11.1 NT Delegations fully implemented	NT Delegations fully implemented	NT Delegations fully implemented	-	Head Office	BTO
		3.3.12 Financial delegations by the accounting officer in place	3.3.12.1 Financial delegations by the accounting officer in place	Financial delegations by the accounting officer in place	Financial delegations by the accounting officer in place	-	Whole of municipality	BTO
Implement compliance register for all existing policies of the BTO		3.3.13 Fully compliance with policies and reporting requirements	3.3.13.1 Implementation of compliance register for all existing policies of the BTO	Fully compliance with policies and reporting requirements	Fully compliance with policies and reporting requirements	-	Whole of municipality	BTO
Develop and implement Audit Action Plan annually by December each year.		3.3.14 Reduced audit outcomes	3.3.14.1 Reduction in audit outcomes	Reduction in audit outcomes	Reduction in audit outcomes	-	Whole of municipality	BTO
Ensure that reports are prepared on monthly basis and POE submitted to Internal Audit for review	Past audit outcomes	3.3.15 Improved audit outcomes	3.3.15.1 Improvement in audit outcomes	Improved audit outcomes	Improved audit outcomes	-	Whole of municipality	BTO

OBJECTIVE: TO PROMOTE AND ENHANCE FINANCIAL VIABILITY								
STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Seeking to have a compliant Contracts register		3.3.16 Contract register in place and updated on regular basis	3.3.16.1 Contract register in place and updated on regular basis	Contract register in place and updated on regular basis	Contract register in place and updated on regular basis	-	Whole of municipality	BTO
Prepare and maintain a schedule of SCM committee meetings and comply with the SCM policy		3.3.17 Prepare and maintain a schedule of SCM committee meetings and comply with the SCM policy	3.3.17.1 Prepare and maintain a schedule of SCM committee meetings and comply with the SCM policy	Prepare and maintain a schedule of SCM committee meetings and comply with the SCM policy	Maintained a schedule of SCM committee meetings and comply with the SCM policy	-	Whole of municipality	BTO
Implementation of effective stock management		3.3.18 Implemented effective stock management	3.3.18.1 Implementation of effective stock management	Stock is maintained at a required level	Stock is maintained at a required level	-	Head Office	BTO
Submission of credible annual financial statements by 31 August		3.3.19 Annual financial statements are submitted on time		Stock is maintained at a required level	Preparation & timeous of Financial Statements	R2 000 000,00	Head Office	BTO
Maintain GRAP compliant asset register Assets are accounted for correctly and complete		3.3.20 Maintain GRAP compliant asset register	Maintenance of GRAP compliant asset register	GRAP compliant asset register maintained	GRAP compliant asset register maintained	-	Head Office	BTO

OBJECTIVE: TO PROMOTE AND ENHANCE FINANCIAL VIABILITY

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
To provide Vehicles, Plant and Equipment to the service delivery departments to ensure that services are rendered to the community Pro vision of fleet to ensure service delivery	Strengthening of Fleet Management	3.3.21 Organogram is in line with operational requirements through strengthening of Fleet Management	3.3.21.1 Organogram is in line with operational requirements	Organogram is in line with operational requirements through strengthening of Fleet Management	Organogram is in line with operational requirements through strengthening of Fleet Management	-	Head Office	BTO
		3.3.22 Fleet is maintained and accounted for	3.3.22.1 Provision of fleet for improved service delivery	Maintained GRAP compliant asset management register.	Maintained GRAP compliant asset management register.	-	Head Office	BTO
Conclusion of new lease agreements and renewal of the expired contracts	Management of existing Council Properties	3.3.23 Munitata Building - 14 existing leases 2.Basil Read- 48 sites 3. Eli Spilkin/ Park Homes – 85	3.3.23.1 Improved management of property portfolio	Schedule of signed leases	48 leases	-	Ward s 7 ; 8 ; & 6	Director: Human Settlement
Strategic land parcels made available for developments / investments	Developed Council Land for Commercial purposes	3.3.24 Hillcrest Mall 2.Petrol Filling station at Boundary Road 3.3.22 3. Rem 912 next to Circus Triangle	3.3.24.1 Improved management of property portfolio	Verification of existing leases	-----	-	Ward s 9 , 3, & 9	Director: Human Settlement
Increase on revenue generated through management of property transactions	Council Assets	3.3.25 40% of disposal of vacant residential sites within KSDM	3.3.25.1 Disposal of vacant residential sites within KSDM 3.3.25.2 GIS alignment with Deeds office	Schedule of properties disposed of	40 %	-	All Wards	Director: Human Settlement

3.4 INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT

OBJECTIVE: INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT								
STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGET	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Build and maintain the capacity of the municipality to execute the local government developmental agenda	PMS policy	3.4.1 No. of employees on PMS.	3.4.1.1 Implementation of Performance Management System	All s56, Managers on PMS	S56, GM & Managers, Supervisors	R315 900,00	Whole of Municipality	Director: Corporate Services
	Draft policy	3.4.2 Integrated HRD strategy developed, approved and implemented	3.4.2.1 Development of Integrated HRD strategy	Approval and implementation of HRD strategy	Approval and implementation of HRD strategy	-	Whole of Municipality	Director: Corporate Services
	Recruitment HR Plan 2016/17	3.4.3 HR Plan developed, approved and implemented	3.4.3.1 Implementation of recruitment as per HR Plan	Approval and 100% implementation of recruitment as per HR Plan	Approval and 100% implementation of recruitment as per HR Plan	R362 510,00	Whole of Municipality	Director: Corporate Services
	No vacancy for waste management officer in the current organogram	3.4.4 Facilitates the recruitment of Waste management Officer, Environmental Management Inspector, Environmental Management Peace officers & Park s Amenities Supervisors	3.4.4.1 Recruitment of staff to be in compliance with statutory requirements create opportunities for new strategic and supervisory posts	Current Organogram not in compliant with the waste related legislative prescripts	Influence Organogram review to incorporate community services compliance / statutory delegated positions	-	Whole of Municipality	Corporate Services support-Director: Community Services
Promote Customer Service in line with Batho Pele principles	Draft policy Call centre in place	3.4.5 Customer Service and Customer Care Policy and Strategy developed, approved and implemented	3.4.5.1 Customer care services	Customer Service and Customer Care Policy and Strategy developed, approved and implemented	Customer Service and Customer Care Policy and Strategy developed, approved and implemented	-	Whole of Municipality	Director: Corporate Services

OBJECTIVE: INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGET	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Improve Municipal Information Management	Nil	3.4.6. Records Management System, Policy and Strategy developed and implemented Automated document management system installed	3.4.6.1 Electronic document management system acquired, installed and commissioned	Electronic document management system acquired, installed and commissioned	Electronic document management system acquired, installed and commissioned	-	Whole of Municipality	Director: Corporate Services
Improve ICT Governance		3.4.7 ICT access control document developed and approved	3.4.7.1 Improvement of ICT Governance	Documented ICT access controls approved	Documented ICT access controls approved	-	Whole of Municipality	Director: Corporate Services
		3.4.8 ICT master systems plan developed and approved	3.4.8.1 Master Systems Plan	Master systems plan approved by council	ICT master systems plan development	-	Whole of Municipality	Director: Corporate Services
		3.4.9 Information security strategy with disaster recovery and business continuity plans developed, approved and implemented.	3.4.9.1 Disaster recovery plan	Disaster recovery plan approved by council	Disaster recovery plan approved by council	-	Whole of Municipality	Corporate Services
		3.4.10 No. of satellite offices cabled with Cat6 cabling No. of satellite offices with Wireless Access	3.4.10.1 Improvement of ICT Infrastructure	Cat6 cabling installed in various sites and Wireless Networking installed in Munitata	Satellite offices cabled with Cat6 cabling and wireless access	-	Whole of Municipality	Corporate Services

OBJECTIVE: INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGET	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
		3.4.11 Functional ICT steering committee in place	3.4.11.1 Revival of ICT steering committee	Functional ICT steering committee in place	ICT steering committee re-establishment	-	Whole of Municipality	Corporate Services
Ensure a safe, healthy and conducive work environment with a high quality of work-life.	2010 Approved Employee Wellness Strategy	3.4.12 Integrated Employee Health and Wellness Strategy developed, approved and implemented	3.4.12.1 Integrated wellness programmes	Integrated wellness strategy document approved by council	Integrated wellness strategy document approved by council	R269 481,00	Whole of Municipality	Corporate Services
	HR Policy Collective agreements	3.4.13 Labour Relations Strategy developed and implemented	3.4.13.1 Sound employer-employee relations	Relations Strategy developed and implemented	Relations Strategy developed and implemented	-	Whole of Municipality	Corporate Services
		3.4.14 Employment equity plan implemented	3.4.14.1 Advancement of employment equity to better reflect regional demographics profile Promote institutional transformation programme	Implementation of 2018/19 EE targets as per plan.	Employment Equity Plan implemented	-	Whole of Municipality	Corporate Services

OBJECTIVE: INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGET	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Provide organizational development support to the municipality	2010 approved structure	3.4.15 Re-designed organizational structure approve& No. of employees placed in the approved new structure	3.4.15.1 Re-engineer institutional organisational administrative arrangements to align structure with municipal strategy	Reviewed and approved organizational structure All KSD employees placed in the approved organizational structure	Organogram Reviewed	-	Whole of Municipality	Corporate Services
		3.4.16 TASK Job Evaluation System implemented	3.4.16.1 TASK Job Evaluation System	TASK Job Evaluation System implemented	Job Evaluation undertaken	R15 915,00	Whole of Municipality	Corporate Services
	Old corporate affairs policies	3.4.17 No. of corporate services policies reviewed and/or developed	3.4.17.1 Development, reviewal and approval of corporate affairs policies	Corporate services policies reviewed and/or developed	Develop, review and approve corporate affairs policies	-	Whole of Municipality	Corporate Services
Facilitates the enhancement of the capacity and capability of RED staff compliment Facilitation of recruitment	Nil	3.4.18 Identified appropriate posts for key functions (facilitator, co-ordinator, and enabler, (IPPPF)	3.4.18.1 Identification of appropriate posts for key functions (facilitator, co-ordinator, and enabler, (IPPPF)	Facilitation of recruitment	Facilitation of recruitment	-	Whole of Municipality	Director: Corporate Services – Director Rural & Economic Development

3.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OBJECTIVE: PROMOTE GOOD GOVERNANCE AND CLEAN ADMINISTRATION

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Sound co-ordinated and integrated approach to service delivery	Regulatory Framework to strengthen IGR structures with all government spheres and civil	3.5.1 Implemented IGR resolutions	3.5.1.1 Implementation of IGR resolutions	Implementation of IGR resolutions	Implementation of IGR resolutions	R182 500,00	Whole of municipality	IGR Manager
	DMAFO	3.5.2 Implementation Mayor's Forum resolutions	3.5.2.1 Mayor's Forum	Implementation Mayor's Forum resolutions	Implementation Mayor's Forum resolutions		Whole of municipality	GM: Mayor's Office
	Previous capacitation programmes	3.5.3 No. of capitation programmes for Traditional Leaders capacitated	3.5.3.1 Capacitation of Traditional Leaders	No. of capacitation & training programmes	Capacitation of Traditional Leaders	R234 825,00 (Traditional leaders – Speaker) R134 482,50 (Traditional Leaders – Mayor)	All wards	GM: Speakers Officer's & Mayor's Office
Sound co-ordinated and integrated approach to service delivery	Previous IDP document	3.5.4 Developed IDP and Budget (mSCOA) aligned	3.5.4.1 IDP and Budget (mSCOA) aligned	Developed IDP and Budget (mSCOA) aligned	Developed IDP and Budget (mSCOA) aligned	R542 021,00	Whole of municipality	Municipal Manager

OBJECTIVE: PROMOTE GOOD GOVERNANCE AND CLEAN ADMINISTRATION

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Sound co-ordinated and integrated approach to service delivery		3.5.5 Rebranding KSD as a responsive Municipality through proactive communication	3.5.5.1 Proactive and innovative communication through media briefing and radio slots.	Rebranding KSD as a responsive Municipality	Rebranding KSD as a responsive Municipality through news update media & radio, branding material	R47 500,00	Whole of municipality	Communications Manager
		3.5.6 Developed & Workshops on policies, Improved reporting systems	3.5.6.1 Credible policies including Anti-Corruption and Fraud Prevention Policy.	Annual Reviewal of applicable legislations	Development & Workshops on policies	-	Whole of municipality	GM: Speaker's Office
Sound co-ordinated and integrated approach to service delivery	Improved reporting systems and	3.5.7 SDBIP & Performance Reports	3.5.7.1 Strengthening of oversight structures to enhance service delivery. Improve /ensure council and community oversight on service delivery excellence	SDBIP & Performance Reports	SDBIP & Performance Reports	-	Whole of Municipality	MM's Office
	Old and irrelevant Council policies	3.5.8 Reviewed Council policies	3.5.8.1 Council policies in line with the applicable government legislative prescripts	Reviewal of Council policies	Updated Council policies	-	Whole of Municipality	GM: Speaker's Office
	Mayor's & Speaker's Imbizo's IDP & Budget Public Hearings	3.5.9 Mayor's & Speaker's Imbizo's IDP & Budget Public Hearings	3.5.9.1 Crafting of IDP, SDBIP & Annual Performance Reporting	IDP, SDBIP & Annual Reporting	Mayor's & Speaker's Imbizo's for development of IDP & Budget Public process	R298 473,50	All wards	GM: Speaker's Office & GM: Mayor's Office

OBJECTIVE: PROMOTE GOOD GOVERNANCE AND CLEAN ADMINISTRATION

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Sound co-ordinated and integrated approach to service delivery		3.5.10 No. of Capacitation programmes for Ward Committees and CDWs	3.5.10.1 Enhancement & promised functionality of ward committees, CDWs and state organs mandated to participate in local governance	Ward Committees and CDWs Capacitation programmes	Improve Ward Committees & CDWs' participation programmes in governance	R8 983 600,00 (Ward Committee meetings) R345 372,50 (Training Ward committees)	All wards	GM: Speaker's Office
	Previous Ward Based Profiles & funded wards 'projects	3.5.11 Ward Based Profiles and projects supported	3.5.11.1 Ward Based Profiles and projects supported	Ward Based Profiles and projects supported	Ward Based Budgeting	R3 200,000,00	All wards	GM: Mayor's Office
	Institutional Council Calendar	3.5.12 Council and Open Council meetings held as per the Council Calendar	3.12.1 Council and Open Council meetings	Open and special council meetings	Open Council meetings	-	Whole of municipality	GM: Speakers 'Office
Sound co-ordinated and integrated approach to service delivery	Institutional Calendar	3.5.13 Committee seating and recording of such seating as per council calendar	3.5.13.1 Standing committee meetings	Observe standing committee seating and recording of such seating as per council calendar TROIKA MPAC	Implementation of resolutions for : Standing committee meetings TROIKA MPAC	-		GM: Speakers 'Office
	No Risk Management Unit	3.5.14 Established Risk Management Committee & Unit	3.14.1 Establishment of Risk Management Unit and Committee Strengthening Internal Audit Unit	Establishment Risk Management Committee	Capacitate Risk Management Committee & Implementation of Risk Management Committee recommendations	R279 460, 97	Head Office	Manager: Internal Audit Unit

OBJECTIVE: PROMOTE GOOD GOVERNANCE AND CLEAN ADMINISTRATION

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
		3.5.15 Strengthened Monitoring and evaluation of implementation of internal controls	3.5.15.1 Risk Management Processes		Implementation of Audit Committee recommendations on controls		Whole of Municipality	Manager: Internal Audit Unit
	Past Audit Committee	3.5.16 Swift response to Audit Report & AG findings	3.5.16.1 Revival of Audit Committee		Swift response to Audit Report & AG findings Execution of the Audit Plan. AG Follow Up Audit		Head Office	Manager: Internal Audit Unit
Sound co-ordinated and integrated approach to service delivery	Nil -	3.5.17 Establish a research unit and think-tank within the Municipality	3.5.17.1 Forge partnerships with Research oriented institutions (WSU, TVET colleges, etc.		Conduct research studies		Head Office	MM's Office

OBJECTIVE: PROMOTE GOOD GOVERNANCE AND CLEAN ADMINISTRATION

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	Master Plan systems:- -River - Street -Home -Market - People	3.5.18 Facilitated implementation of each Master Plan system: Beautification and recreational facilities, Mixed-use development settlement patterns, Business development, Integrated transport and pedestrianization system, Stakeholder participation & facilitation, Rural Integrated Transport System Project Management of the KSD Presidential Revitalisation Programme/s (KSD PI)	3.5.18.1 institutionalisation of Vision 2030 on the basis of 5 Master Plan Systems :Vision 2030 (Master Plan Project Management of the KSD Presidential Revitalisation Programme/s (KSD PI)		Facilitate implementation of each Master Plan system		All wards	Manager: URP

OBJECTIVE: PROMOTE GOOD GOVERNANCE AND CLEAN ADMINISTRATION

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Sound co-ordinated and integrated approach to service delivery	Rural Development Strategy implementation	3.5.19 Rolled-out Rural Development Plan	3.5.19.1 Facilitate implementation of Rural Development Strategy		Rural Development		Rural wards	Manager: URP
	Integrated Urban Development Framework (IUDF)	3.5.20 Rolled-out Integrated Urban Development Framework (IUDF)	3.5.20.1 Facilitate implementation of Integrated Urban Development Framework (IUDF)		Facilitate & roll-out the implementation of Integrated Urban Development Framework (IUDF)			Manager: URP
	Vulnerable groups strategic documents	3.5.22 Mainstreamed programmes for vulnerable sectors for people living with disabilities	3.5.22.1 Mainstreaming programmes for vulnerable sectors		Capacitation programmes & workshops on People living with Disabilities	R74 842,00	All wards	GM: Mayor's Office
	Vulnerable groups strategic documents	3.5.23 Mainstreamed programmes for vulnerable sectors on gender issues	3.5.23.1 Facilitate enforcement policies bias towards vulnerable groups		Mainstreaming of Gender programmes	R79 580,00	All wards	GM: Mayor's Office
	Vulnerable groups strategic documents	3.5.24 Mainstreamed programmes for vulnerable sectors for care, protection and support of elderly & children	3.5.24.1 Mainstreaming of programmes protecting Elderly & Children	Mainstreamed programmes for vulnerable sectors for care, protection and support of elderly & children	Mainstreamed programmes for vulnerable sectors for care, protection and support of elderly & children	R96 799,00	All wards	GM: Mayor's Office

OBJECTIVE: PROMOTE GOOD GOVERNANCE AND CLEAN ADMINISTRATION

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	Youth Development Strategy	3.5.25 Skills audit for youth Youth development programmes	3.5.26.1 Scanning of available skills towards achieving Youth development goals	Skills audit for youth Youth development programmes	Skills audit for youth Youth development programmes	R291 008,50	All wards	GM: Mayor's Office
HIV & AIDS and TB	Statistics South Africa, Census 2016	Reduced fatalities due to HIV/AIDS infections based on previous statistics	HIV/AIDS awareness programmes and proactive protection programmes i.e. condom weeks	Reduced fatalities due to HIV/AIDS infections based on previous statistics	Reduced fatalities due to HIV/AIDS infections based on previous statistics	R55 618,00	All wards	GM: Mayor's Office
Provision of safety and security services within KSD communities	Fire Awareness Campaigns conducted	3.5.27 2 awareness campaigns in 15 Wards and schools	3.5.27.1 Awareness campaigns	2 Awareness campaigns in 15 conducted	2 Awareness campaigns in 15 conducted		15 wards	Director: Community Safety
	98 building plans were approved last year.	3.5.28 Number of buildings plans inspected	3.5.28.1 Inspection of buildings plans	80 building plans	80 building plans		Whole of municipality	Director: Community Safety
	Number of inspections, approval and issuing of flammable permits	3.5.29 Number of buildings plans inspected	3.5.29.1 51 flammable permits issued	60 building plans inspected on an annual basis	60 building plans		Whole of municipality	Director: Community Safety
	Number of fire hydrants inspected and maintained	3.5.30 Number of buildings plans inspected	3.5.30.1 341 Fire Hydrants	850 building plans on an annual basis	170 building plans		Whole of municipality	Director: Community Safety

OBJECTIVE: PROMOTE GOOD GOVERNANCE AND CLEAN ADMINISTRATION

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	13 businesses	3.5.31. Number of business workers educated on basic fire fighting	3.5.31.1 Conduct workshops on fire knowledge to business workers to improve turnaround time to respond to fire incidents	100 businesses, 9 people on an annual basis	20 businesses		Whole of municipality	Director: Community Safety
	Dysfunctional Disaster Management Forum	3.5.32 Establishment of disaster forum & fire emergencies	3.5.32.1 Establishment of Disaster Forum to respond to disaster incidents & fire emergencies	Disaster Forum establishment & fire emergencies	Facilitation of Disaster Forums & fire emergencies	R18,886,44	Head Office	Director: Community Safety
	Declared Disaster Areas	3.5.33 Rehabilitation of affected wards	3.5.33.1 Response and proposals and Rehabilitation to all affected wards	Assistance for affected wards provided	Assistance for affected wards provided as per declared areas		Affected wards	Director: Community Safety
	Arrive Alive Campaigns	3.5.34 Number of Arrive alive campaigns conducted during peak seasons	3.5.34.1 Arrive Alive Campaigns	Number of Arrive alive campaigns conducted during peak seasons 10 Campaigns in collaboration with the province yearly			Whole of municipality	Director: Community Safety
Provision of safety and security services within KSD communities	Traffic violation management	3.5.35 No ticket fines to be issued	3.5.35.1 Ensuring that motorists comply with road traffic regulations through effective traffic enforcement	5000 ticket fines issued annually	Traffic violation management -5000 ticket fines issued	-	Whole of municipality	Director: Community Safety

OBJECTIVE: PROMOTE GOOD GOVERNANCE AND CLEAN ADMINISTRATION

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	Traffic intersections violation management	3.5.36 Number of manned Traffic intersections	3.5.36.1 Traffic intersection management	115 deployments at traffic intersections	115 deployments at traffic intersections	-	Whole of municipality	Director: Community Safety
	Traffic violation management	3.5.37 Number of Executed of warrants of arrest	3.5.37.1 Execution of warrants of arrest	250 Execution of warrant arrests	50 warrants	-	Whole of municipality	Director: Community Safety
	Traffic violation management	3.5.38 Identification of site. Meetings with Department of Justice	3.5.38.1 Effective prosecution of breaches of municipal by laws and traffic offences through piloting of Municipal Court	Meetings with Department of Justice	Meetings with Department of Justice		Whole of municipality	Director: Community Safety
		3.5.39 Trained staff to perform services	3.5.39.1 Provision of Weigh bridge services Training of staff	Trained staff to perform services	Trained staff to perform services		Whole of municipality	Director: Community Safety
Provision of safety and security services within KSD communities	37350 applied for renewals and issuing of licenses	3.5.40. No. vehicles applied for renewals and issuing of licenses	3.5.40.1 Licensing of motor vehicles as defined by the Act.	100% applicants	100% applicants		Whole of municipality	Director: Community Safety
	Motor vehicles' licenses issued	3.5.41 Number of motor vehicles' licenses issued	3.5.41.1 Renewal of licenses for motor vehicles	100% applicants	100% applicants		Whole of municipality	
	Nil	Creating One Stop Shop License Centre at Thorn hill Farm (VTS premises)	Creating One Stop Shop License Centre at Thorn hill Farm (VTS premises)	Creating One Stop Shop License Centre at Thorn hill Farm (VTS premises)	Creating One Stop Shop License Centre at Thorn hill Farm (VTS premises)		Whole of municipality	Director: Community Safety

OBJECTIVE: PROMOTE GOOD GOVERNANCE AND CLEAN ADMINISTRATION

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	3545(100%) applicants served	3.5.42 Number of light motor vehicles and SUV applied for roadworthiness	3.5.42.1 Perform test for road worthiness of vehicles	100% applicants	100% applicants		Whole of municipality	Director: Community Safety
	100% applicants served	3.5.43 Number of buses applied for roadworthiness serviced	3.5.43.1 Perform test for road worthiness of vehicles	100% applicants	100% of driving licenses applicants attended to		Whole of municipality	Director: Community Safety
	20 learners' license a day 15 driver's license tested	3.5.44 Number of Learners license issued	3.5.44.1 Testing of applicants for learners and driving license; Testing & Issuing of learners as well as Licenses, renewals and permits	960 learners license tested 720 drivers licenses tested	100 % of learners and driving licenses applicants attended		Whole of municipality	Director: Community Safety
Provision of safety and security services within KSD communities	100% applicants served	3.5.45 No. number of driving licenses applicants attended to	3.5.45.1 PrDP and driving licenses including PrDP (Professional Road Driving Permit) and driving licenses	100% of driving licenses applicants attended to	100% of driving licenses applicants attended to		Whole of municipality	Director: Community Safety
	Mqanduli municipality unit offices	3.5.46 Licensing services decentralized to Mqanduli	3.5.46.1 Decentralization of licensing services to Mqanduli	Decentralized licensing services to Mqanduli	Decentralization of licensing services to Mqanduli		Whole of municipality	Director: Community Safety

OBJECTIVE: PROMOTE GOOD GOVERNANCE AND CLEAN ADMINISTRATION

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	Roads inspected & identified for marking Roads signs	3.5.47 No. of roads inspected & identified to be marked and No of traffic signs to be restored & replaced	3.5.47.1 Road marking and road signage	All roads inspected & identified to be marked and traffic signs restored & replaced	All roads inspected & identified to be marked and traffic signs restored & replaced	R67 500,00	Whole of municipality	Director: Community Safety
	Dysfunctional community safety forum	3.5.48 Community Safety Forum in place Cluster meetings with SAPS	3.5.48.1 Revival of community safety forum	Effective Community Safety Forums, decentralization and functioning Community Safety Forums	Effective Community Safety Forums	R2,875,00	Whole of municipality	Director: Community Safety

OBJECTIVE: TO PROVIDE LEGISLATIVE POLICIES & FRAMEWORKS FOR CONTROLLED DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGET	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Development of Human Settlements policies and by-laws	New	3.5.49 Emergency housing policy 2.Housing allocation policy 3.Land Invasion Policy	3.5.49.1 Housing allocation policy	Approved Housing Allocation policy	Housing allocation policy	-	All Wards	Director Human Settlement
	Currently there is no Climate Change Strategy in place	3.5.50 % of climate change projects implemented	3.5.50.1 Develop Climate Change Policy & Strategies in line with the National Framework	Develop Climate Change Policy & Strategies in line with the National Framework	Development of Climate Change Policy & Strategies	-	All Wards	Director: Corporate Services
Housing Sector Plan reviewal	Existing Housing Sector Plan 2011-16	3.5.51 Housing Sector Plan	3.5.51.1 Housing sector Plan	Approved housing sector plan	Housing Sector Plan review		All wards	Director: Human Settlement
Implementation of SPLUMA	Spatial Planning and Land Use Management No. 16 of 2013 and Municipal By-Law	3.5.52 Establishment of MPT and Appeal Authority	3.5.52.1 Functional MPT and Appeal Body	Ensure orderly built environment through spatial planning	Functional MPT and Appeal Body	R158, 956,00	All wards	Director: Human Settlement
Development and reviewal of Infrastructure plans	Facilitate and prepare plans	3.5.53 Development of draft Integrated Transport Plan (ITP)	3.5.53.1 Integrated Transport Plan (ITP) exist	Facilitated Infrastructure Plans adoption by the Council by June 2018	Lobby funding for the construction of safe Public Transport	-	Whole of municipality	Director: Technical Services
Processing Development Applications in accordance with approved policy	Applications received	3.5.54 No. of applications completed	3.5.54.1 Rezoning Special Consents Subdivisions Township Establishments Departures Removal of title Restrictions	%100	100 % of applications received	-	All wards	Director: Human Settlement

OBJECTIVE: TO PROVIDE LEGISLATIVE POLICIES & FRAMEWORKS FOR CONTROLLED DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGET	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Development of Spatial Development Framework 2018/2023	Existing Spatial Development Framework 2013-2018	3.5.55 Establishment of Spatial plans	3.5.55.1 Reviewal of SDF	Final draft of KSD SDF 2018/2023	Approval of SDF 2018/2023		All wards	Director: Human Settlement
Development of Land Use Management Scheme/s	Town Planning Scheme (1989)	3.5.56 Final draft of LUMS for the Whole KSD Jurisdiction	3.5.56.1 Inception and Situational Analysis report for Coffee-Bay LSDF Hole-in-the-Wall LSDF Ncambedlana LSDF Qunu LSDF	Final draft of LUMS for the Whole KSD Jurisdiction	<ul style="list-style-type: none"> • Mthatha LSDF • Mqanduli LSDF • Coffee-Bay LSDF • Hole-in-the-Wall LSDF • Ncambedlana LSDF • Qunu LSDF 	R 24 000,00 - R4, 549,50,00 - - -	All wards	Director: Human Settlement
Land available for new cemeteries	Existing cemeteries	3.5.56 Mthatha, Coffee Bay and Hole in the Whole	Identification of land parcels	Mthatha, Coffee Bay and Hole in the Whole	Feasibility study for cemetery at Mthatha	-		Director: Human Settlement
Proclamation of townships for residential areas	Existing township developments	3.5.57 -3 township developments:- Zimbane Ext. 77	3.5.57.1 Townships registration	Regularised township establishment at Zimbane Ext. 77;	Mqanduli Ext 2 Township on Erf 937	R100, 125,00	Ward 04 Ward 05	Director: Human Settlement

OBJECTIVE: TO PROVIDE LEGISLATIVE POLICIES & FRAMEWORKS FOR CONTROLLED DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGET	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
		3.5.58 Township development at Kei Rail & Enkululekweni Township establishment	3.5.58.1 Kei Rail Survey and Registration R250 000 3.5.58.2 Enkululekweni Planning and Survey R800 000	Township development at Kei Rail & Enkululekweni			Ward 5	
	New	3.5.59 Relocation of Zimbane Valley Project to Rem 937	3.5.59.1 Relocation of township development	Obtain Council approval on relocation of Project	Installation of services for township development		Ward 04	Director Human Settlements
Development Proposals	Insufficient office space	3.5.60 Munitata Extension & Office Park Development (Callaway)	3.5.60.1 Call for Development proposals Funding applications	Munitata Extension Office Park Development (Callaway)	Munitata Extension		Ward 07	Director Human Settlements
Transfer of properties to recently approved beneficiaries	87 title Deeds	3.5.61 Maydene farm Ext 1317 Units	3.5.61.1 103 title deeds	Schedule of Title deeds issued by Conveyancer	200 Title deeds		Ward 09	Director: Human Settlement

OBJECTIVE: TO PROVIDE LEGISLATIVE POLICIES & FRAMEWORKS FOR CONTROLLED DEVELOPMENT

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGET	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Provide outstanding title deeds for low cost housing	1323 title deeds registered 942 title deeds registered 442 title deeds registered 429 title deeds reregistered	3.5.62 Zimbane Ext. 76 & 77 Maydene Farm ext. 70, Ilitha Ext. 72, Kuyasa Ext. 74	3.5.62.1 Security of tenure- 159 title deeds at Zimbane Ext. 3.5.62.2 27 title deeds at Mayden Farm 3.5.62.3 21 title deeds at Ilitha 3.5.62.4 48 title deeds at Kuyasa	Schedule of title deeds issued by conveyancers	Zimbane Ext 76 & 77 - 84 title deeds Maydene Farm - 27 title deeds Ilitha - 21 title deeds Kuyasa - 48 title deeds		Ward s 4, 9 & 6	Director: Human Settlement

OBJECTIVE: COMPLIANCE WITH APPROVED LEGISLATION & EFFICIENT BUILDING PLANS APPLICATION PROCESS								
STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGET	BUDGET ALLOCATION	LOCATION	CUSTODIAN
					80 % of building plans received		All wards	Director Human Settlements
Improve aesthetic appearance of commercial businesses within the CBD	Dilapidated commercial business within CBD	3.5.63 Implement By laws; Address shop owners on required standards	3.5.63.1 Consultative process with business owners	Sprigg Street Madeira Street York Road Owen & Sutherland Streets	Enforce trading by laws		Ward 5	Director Human Settlements
Operationalisation of building plans	No. of completion certificates & contraventions issued	3.5.64 All constructed buildings to comply to building regulations	3.5.64.1 Monitoring of building construction	Compliance with building regulations	100% compliance		All wards	Director Human Settlements
Establishment of disaster management centre and fire stations	Mthatha and Mqanduli incapacitated disaster management Centres	3.5.65 Improved compliance with regulatory and normative standards for emergency services	3.5.65.1 Identification of land	Land secured for Mthatha & Mqanduli	Disaster Management Centre for Mqanduli & Mthatha		Mthatha Offices & Mqanduli satellite Offices	Director: Community Safety

OBJECTIVE : TO PROMOTE GOOD GOVERNANCE

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGERT	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Promotion of a healthy, environmentally sensitive and hygienic society	Two (2) transfer stations and 1 buy back centre. Two (2) out of eight (8) buy back centres launched by OR Tambo DM	3.5.68 Two (2) transfer stations and 8 buy back constructed	3.5.68.1 Promote waste minimization, re use, recycling, waste recovery and transport economy	2 Transfer station and 1 buy back centre established in Mthatha and Coffee Bay Established 8 Transfer station and 1 buy back centre in Mthatha, and Coffee Bay. EIA process the 2 proposed waste transfer stations under- way	Established 2 Transfer station and 1 buy back centre in Mthatha, and Coffee Bay		Mthatha & Mqanduli	Director: Community Services
		3.5.69 % completion of the feasibility study 3.5.69 Number of waste processing agreements & partnerships signed	3.5.69.1 Acquire funding from national treasury for conducting feasibility studies 3.5.69.2 Finalize signing of MOU with WSU for areas of common interest	Explore alternative waste management technologies through PPP. Conduct feasibility study for optimal waste management alternative technologies. Create partnerships to support and promote waste processing within KSD Partner with a Research Institutes			Head Office	Director: Community Services

OBJECTIVE : TO PROMOTE GOOD GOVERNANCE

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGERT	BUDGET ALLOCATION	LOCATION	CUSTODIAN
Promotion of a healthy, environmentally sensitive and hygienic society	Currently the garden waste service is not offered by the municipality. However the service is rendered on ad hoc basis	3.5.70 Approved Garden Service tariff Number of roadshows conducted % of suburbs serviced Number of	3.5.70.1 Formalised access to garden waste s to service 27 562	Formalization of garden waste removal service Provision of garden waste services Develop a tariff for garden service Conduct roadshows to all consumers to communicate the new tariff Conduct 6 roadshows for access to garden waste service	Formalization of garden waste removal service		Mthatha & Mqanduli urban & peri- urban	Director: Community Services
Promotion of a healthy, environmentally sensitive and hygienic society	Integrated Waste Management Plan Approved by Council	3.5.71 Implementation of IWMP	3.5.71.1 Implementation of Integrated Waste Management Plan (WMP) in compliance with Waste Act Plan	40% Implementation of IWMP	Implementation of IWMP Community Cleaning Project Cooperatives		Whole of municipality	Director: Community Services

OBJECTIVE : TO PROMOTE GOOD GOVERNANCE

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGERT	BUDGET ALLOCATION	LOCATION	CUSTODIAN
	Currently there is no Climate Change Strategy in place	3.5.73 % of climate change projects implemented	3.5.73.1 Development of Climate Change Policy & Strategies in line with the National Framework	Develop Climate Change Policy & Strategies in line with the National Framework	Development of Climate Change Policy & Strategies		Whole of municipality	Director: Community Services
	MHS is an unfunded mandate funded by KSDLM The function is not yet devolved to ORTDM No SLA Signed between the 2 parties	3.5.74 Signed SLA for rendering MHS 3.5.75 Source funding from ORTDM for rendering MHS	3.5.74.1 Devolution of Municipal Health Services 3.5.74.1 Finalize devolution of Municipal Health Services with ORTDM 3.5.74.1 Full funding of MHS by ORTDM Signing of SLA with ORTDM	Full funding of MHS by ORTDM	Devolution of Municipal Health Services		Head Office	Director: Community Services
Empower library and conduct information awareness	Nine (9) libraries and mobile libraries provided to empower communities with information	3.5.75 Increased access to information, especial schools and clinics by expansion of library services	3.4.75.1 Community empowerment & information awareness	Increased access to information, especial schools and clinics	Increased access to information, especial schools and clinics- Promotions & Launches		All wards	Director: Community Services

OBJECTIVE : TO PROMOTE GOOD GOVERNANCE

STRATEGIES	BASELINE	KEY PERFORMANCE INDICATORS	PROJECTS/ PROGRAMMES TO BE IMPLEMENTED	FIVE (5) YEAR TARGETS	2018/19 TARGERT	BUDGET ALLOCATION	LOCATION	CUSTODIAN
campaigns Provide facilities and information to communities	Increased access to information for our communities through library awareness programmes (library awareness weeks)		programmes		Increased access to information, especial schools and clinics			Director: Community Services
Provision of safety and security services within KSD communities	SPCA contract not compliant No Animal Pound By Laws in place SPCA contract only covers Mthatha pound	3.5.76 No. of animal pounds with management contracts Animal Pound By Laws approved by Council and Promulgated Review Pound Management Contract to cover Mthatha & Mqanduli Upgrade Mqanduli Animal Pound Develop Animal Pound By Laws	3.5.76.1 Improvement of safety of animals and animal health Proper management of Mqanduli & Mthatha Animal Pound Develop Animal Pound By Laws	pounds with management contracts Animal Pound By Laws approved by Council and Promulgated Review Pound Management Contract to cover Mthatha & Mqanduli Upgrade Mqanduli Animal Pound Develop Animal Pound By Laws	Fencing of Mqanduli Pound		Mthatha & Mqanduli	Director: Community Services & Safety

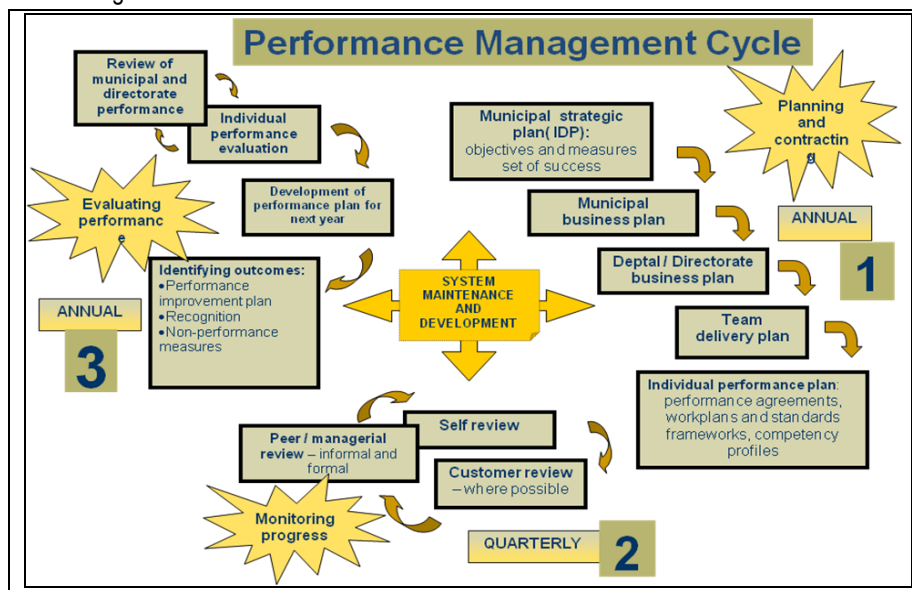


CHAPTER FOUR: PEFORMANCE MANAGEMENT SYSTEM

4.1 PERFORMANCE MANAGEMENT SYSTEM(PMS)

Performance Management System refers to a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review and reporting will happen and be organised and managed, while determining the roles of different role-players. The KSDM adopted its performance management system framework in March 2012 for senior management referred to in the Municipal Systems Act as Section 56, and it was however not revised.

The KSDM has commissioned external professional services to assist in crafting the Performance Management System which is structured in such a way that it seeks to recognise the various stages involved in the performance management cycle, as depicted in the diagram below.



The IDP fulfills the planning stage of Performance Management, whereas Performance Management in turn fulfills implementation management monitoring and evaluation of the IDP.

The Municipality has a Unit of Performance Management system which reports to the office of the Municipal Manager and due to capacity problems has engaged external professional

team to assist in developing a Performance Management Framework regulating the Performance Management System in the municipality, is being developed and planned to be submitted to Council for adoption. The Framework provides guidelines on the development and implementation of the organizational PMS, however, a policy is in draft phase and it will be workshopped to all officials to solicit inputs before it is adopted by Council alongside with PMS framework. **The Council has moved very fast in adopting Performance Management Policy in the Council. This policy is a guiding tool to measure the performance of the municipality. The policy stipulates the processes of quarterly assessments and reviews.**

The function of performance management Committee is under the services of professional assistance.

This policy will further underpins the speedy approval of the Performance Management System and provides the following guidelines on organizational performance management:

- **Planning for performance management:** The development of the IDP fulfils the planning stage of Performance Management and Performance
- Management fulfils the implementation management, monitoring and evaluation of the IDP process;
- **Priority and objectives setting:** As set by the IDP;
- **Key performance indicators:** Priorities and objectives derived from the IDP will guide the identification of indicators;
- **Setting targets:** Each key performance indicator must have set targets for the current financial year;
- **Reviewing of key performance indicators:** As part of the performance review process, performance indicators should be reviewed annually in line with the annual review of the municipality's IDP;
- **Developing a monitoring framework;**
- **Performance measurement framework:** Balanced Scorecard Model has been adopted;
- **Conducting performance reviews:** Municipality measure its own performance and assess its progress either by benchmarking or conducting surveys;
- **Reporting on performance:** A template that takes the municipalities priorities, objectives, indicators and targets has been developed; and

- **Individual performance:** Performance of employees to be managed through the signing of performance contracts and performance agreements and the rollout of scorecards to management level.

4.1.1 INSTITUTIONAL SCORECARD

Table shows: KPA Weighting

KEY PERFORMANCE AREA	WEIGHT	WEIGHT
	2017/18 -2022	2017/18- 2018/19
Basic Service Delivery And Infrastructure Development	35	35
Local Economic Development	20	20
Institutional Transformation And Organisational Development	10	10
Financial Viability And Management	15	15
Good Governance And Public Participation	10	10
Spatial Planning & Social Transformation	10	10
TOTAL: 100%		



CHAPTER FIVE: FINANCIAL PLANNING

5.1 Budget Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No.89, 90 & 91 were used to guide the compilation of the 2018/2019 MTREF.

The main challenges experienced during the compilation of the 2018/2019 MTREF can be summarized as follows:

- The ongoing difficulties in the municipal cash-flows
- The need to re-priorities projects and expenditure within the existing resource envelope given the cash flow realities.
- The increased cost of bulk electricity due to tariff increases from Eskom, which is placing upward pressure on service tariffs to residents.
- Wage increases for municipal staff as well as the need to fill critical vacancies and the placement of staff.
- Budgeting for plant and fleet acquired through finance lease for a period of five years.
- Limited revenue collections
- Slow recovery of debts

5.1.1 Budget Principles

The following budget principles and guidelines directly informed the compilation of the 2018/2019 MTREF:

- The 2017/2018 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2018/2019 annual budget;
- Increase on tariffs for rates, service and other direct income that should be affordable and should generally not exceed inflation as measured by the CPIX, except where there are price increases in the inputs of services that are beyond the control of the municipality.

In addition, tariffs need to move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the annual Division of Revenue Act;

5.1.2 Budget Assumptions

National treasury has as per Circular 91 has indicated that the municipalities must apply the following inflation rates to provide for the 2018/2019 MTREF.

Table 1: Macroeconomic performance and projections, 2016 - 2020					
Fiscal year	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual	Estimate	Forecast		
CPI Inflation	6.30%	5.3%	5.3%	5.4%	5.5%

The following assumptions were used in setting tariffs and determining forecasting the expenditure for the MTREF

1. Property rates and fire brigade fees an increase of 6 % for the current year and r the two outer years respectively.

- Refuse removal and increase of 7% for the current and the two outer years respectively. Due to inability to recover costs and also attempts to move towards cost recovery let to increases above the inflation rate as the municipality is attempting to at breakeven between sales and costs.
- Electricity tariff is set to increase by 6.84 % pending approval of increases by NERSA. Eskom has applied for a one year average tariff increase of 19.9 per cent for 2018/19. For municipalities, the different timing of the municipal financial year means that the increase Eskom has applied for would mean a 7.32 per cent average tariff increase in the 2018/19 municipal financial year. The National Energy Regulator of South Africa recently concluded a process of public hearings on this application, but has yet to publish a decision on the application. Municipalities can monitor www.nersa.org.za for news on the outcome of this process. Application for tariff increase will depend on the outcome of the application for increases on bulk purchases.
- All other tariffs to be set at the inflation rate. Refer to discussion of tariffs for detailed explanation on individual tariffs on the Operating Revenue Framework Section below.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/2019 Medium-term Revenue and Expenditure Framework:

Table 2 Consolidated Overview of the 2018/2019 MTREF

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Total Revenue (excluding capital transfers and contributions)		913,579	980,822	1,086,483	1,063,181	1,061,913	1,061,913	1,061,913	1,129,508	1,200,727	1,278,789
Total Expenditure		1,089,237	1,012,484	1,069,524	1,189,494	1,187,969	1,187,969	1,187,969	1,125,511	1,167,528	1,228,692
Surplus		(175,658)	(31,662)	16,958	(126,313)	(126,056)	(126,056)	(126,056)	3,998	33,199	50,096
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		164,242	204,073	199,953	134,978	381,618	381,618	381,618	290,203	281,975	99,426
Total Capital Expenditure - Functional	3	157,901	331,597	365,189	235,716	255,510	255,510	255,510	294,200	284,973	102,424

5.1.3 Operating Revenue Framework

For King Sabata Dalindyebo to continue improving the quality of services provided to its citizens it needs to generate the required revenue. This is vital as there is a high rate of employment in the area and high levels of indigence. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The municipality is faced with development backlogs and poverty.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 % collection current debts and 20% on arrear debt for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Attempts to achieve a full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing the revenue requirement of each service;
- Increase ability to extend new services and recover costs;

- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.
- A service provider was appointed by COGTA to review and set tariffs for the municipality. The project is almost complete and these will be made available to management and council upon receipt from the service provider.

TABLE 3 SUMMARY OF REVENUE CLASSIFIED BY MAIN REVENUE SOURCE

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Revenue By Source</u>												
Property rates	2		159,482	180,579	191,221	242,248	232,248	232,248	232,248	246,183	260,954	276,611
Service charges - electricity revenue	2		239,978	281,198	314,858	388,764	391,743	391,743	391,743	416,182	441,153	467,622
Service charges - refuse revenue	2		26,765	34,934	35,569	43,048	47,048	47,048	47,048	50,341	53,865	57,636
Service charges - other			-	-	-	7,420	-	-	-			
Rental of facilities and equipment			15,068	15,193	14,294	19,319	19,321	19,321	19,321	17,532	18,583	19,698
Interest earned - external investments			4,399	3,341	1,834	3,526	3,526	3,526	3,526			
Interest earned - outstanding debtors			25,091	32,326	37,111	37,807	30,602	30,602	30,602	40,076	42,480	45,029
Fines, penalties and forfeits			967	1,026	1,392	2,691	3,233	3,233	3,233	2,722	2,885	3,058
Licences and permits			13,618	13,980	15,155	17,168	2,084	2,084	2,084	2,409	2,554	2,707
Agency services			-	-	-	-	15,159	15,159	15,159	15,115	16,022	16,984
Transfers and subsidies			220,077	264,689	275,617	293,208	296,639	296,639	296,639	321,436	343,667	369,766
Other revenue	2		208,133	153,357	199,432	6,561	18,888	18,888	18,888	16,005	16,966	17,984
Gains on disposal of PPE						1,422	1,422	1,422	1,422	1,507	1,598	1,694
Total Revenue (excluding capital transfers and contributions)			913,579	980,822	1,086,483	1,063,181	1,061,913	1,061,913	1,061,913	1,129,508	1,200,727	1,278,789

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues are

budgeted for R721.114 million comprise approximately 63% total revenue mix (Excluding Capital Grant income as reflected in operating expenditure table).

- Operating grants and transfers totals R321.4 million in the 2018/2019 financial year.
- With individually insignificant items making up the balance of R85 million

5.1.4 Revision Of Tariffs For Rates, Refuse And Other Charges

Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows:

5.1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The property rates tariff will be increased by 6%

The implementation of the new valuation will necessitate the following changes in the municipal rates policy and bylaw to take into account the increase in values:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R45 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy.

- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy. In this regard the following stipulations are relevant:
- For physically and mentally disabled persons an application has to be made
- Owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year.

The following conditions should be met:-

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as

registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

Table 3 Comparison of proposed property rates to be levied for the 2018/2019 financial year

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS			
AS FROM 01 JULY 2018			
	2017/2018		2018/2019
PROPERTY PRATES AND LEVIES			
Proposed increment 2015/16			
General Rate			
Domestic (cents in a Rand)	0.69535	Cents in a Rand	Cents in a Rand
Business/ Commercial (cents in a Rand)	1.39071	Cents in a Rand	1.47415 Cents in a Rand
Government/ Parastatals (State Owned) (cents in a Rand)	2.08606	Cents in a Rand	2.21123 Cents in a Rand
Agricultural (cents in a Rand)	0.17507	Cents in a Rand	0.18557 Cents in a Rand
PSI (cents in a Rand)	0.17507	Cents in a Rand	0.18557 Cents in a Rand
Public Benefit Organisation	0.17507	Cents in a Rand	0.18557 Cents in a Rand
Parking Development Rate (cents in a Rand)	0.21489	Cents in a Rand	0.22779 Cents in a Rand
Fire Levy			
Domestic - Per annum	351.72		372.81806
Business/ Commercial Per Annum	633.11		671.10129

The recommended increase in property rates is set at 6 % in line with the NT guidelines.

5.1.4.2 Sale of Electricity and Impact of Tariff Increases

Electricity tariff is set to increase by 6.84% pending approval of increases by NERSA. Eskom has applied for a one year average tariff increase of 19.9 per cent for 2018/19. For municipalities, the different timing of the municipal financial year means that the increase Eskom has applied for would mean a 7.32 per cent average tariff increase in the 2018/19 municipal financial year. The National Energy Regulator of South Africa recently concluded a process of public hearings on this application, but

has yet to publish a decision on the application. Municipalities can monitor www.nersa.org.za for news on the outcome of this process. Application for tariff increase will depend on the outcome of the application for increases on bulk purchases.

The following table shows the impact of the proposed increases in electricity tariffs:

TABLE 4 COMPARISON BETWEEN CURRENT ELECTRICITY CHARGES AND INCREASES.

ITEM NO.	2017/2018	2018/2019
1 ELECTRICITY TARIFFS		
Domestic Tariffs		
1 Tariff 1	141.00	150.87
1.1 Domestic prepayment	115.00	123.05
2 COMMERCIAL CONVENTIONAL		
2.1 Basic Charge/ month	366.26	391.90
Energy Charge	166.73	178.40
3 COMMERCIAL PREPAYMENT		
Energy charge/ kwh		
Small (Tariff 3)	200.10	214.10
Big (Tariff 4)	200.10	214.10
INDUSTRIAL LOW		
4 ≤ 100 KVA		
Basic Charge/ month	1242.00	1328.94
Energy Charge/ Kwh	86.93	93.01
Demand Charge/ KVA	264.08	282.57
		0.00
INDUSTRIAL HIGH		0.00
> 100 KVA		0.00
Basic Charge/ month	1088.29	1164.47
Energy Charge/ Kwh	62.13	66.48
Demand Charge/ KVA	264.15	282.64

5.1.4.3 Solid Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is recommended that the municipality work towards recouping the costs associated with the rendering of this service and as such tariffs should be cost driven. It is

widely accepted that the rendering of this service should at least break even, which is currently not the case.

The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are hiring costs, increases in general expenditure and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

A 7 per cent increase in the waste removal tariff is proposed from 1 July 2018. Higher increases will not be viable in 2018/2019 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services.

The following table compares current and proposed amounts payable from 1 July 2018:

Table. 5 Comparison between current waste removal fees and increases

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS			
AS FROM 01 JULY 2018			
		2017/2018	2018/2019
3.0	SOLID WASTE : Proposed increment 6.4%		
	Refuse Removal : Full Level of Service		
	Annual Charges		
3.1.1	Domestic (2 bags or bins once per week)	2354.14	2518.93
3.1.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	4735.17	5066.63
3.1.3	Per additional bag or bin	2354.14	2518.93

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS			
3.1.4	Per additional service removal per week	4735.17	5066.63
3.1.5	240 L Bin rental per annum		
	Emptying charge of 240L bin per annum		
4.2	Refuse Removal : Full Level of Service		
	Monthly Charges	198.60	212.50
4.2.1	Domestic (2 bags or bins once per week)	4.89	5.23
4.2.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	198.60	212.50
4.2.3	Per additional bag or bin	399.41	427.37
4.2.4	Per additional service removal per week		
4.2.5	240L Bin rental per month	13.66	14.62
4.2.6	240L Bin Clearance / per bin	28.46	30.45
4.2.7	Emptying charge of 240L bin : Household per month	113.60	121.55
4.3	Refuse Removal : Basic Level of Service		
	Annual Charges		
4.3.1	Domestic	1345.22	1439.38
4.3.2	Business/Industry	3147.81	3368.15
4.3.3	Government Institutions	3147.81	3368.15
4.3.4	Coffee Bay & Hole-in-the-Wall		
4.4	Refuse Removal : Basic Level of Service		
	Monthly Charges		
4.4.1	Domestic	113.60	121.55

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS			
4.4.2	Business/Industry	265.01	283.57
4.4.3	Government Institutions	265.01	283.57
4.5	Sales		
4.5.1	240L Refuse bins (each)	660.32	706.54
4.5.2	Plastic Refuse Bags (per pack)		
4.6	Skips		
4.6.1	Rental per skip per month	887.71	949.85
4.6.2	Rental per skip per year	10529.55	11266.61
4.6.3	Charge per clearance of skip	624.80	668.53
4.7	Excess Refuse		
4.7.1	Garden Refuse (per 2.5lt load)	374.34	400.55
4.7.2	Removal of scrap vehicles (per vehicle load)	524.14	560.83
4.7.3	Hire of skip container per day : Garden Refuse / Excess	284.57	304.48
4.8	Penalty for Illegal Dumping : Proposed increment at 7%		
4.8.1	Garden and/ or domestic refuse	414.77	443.80
4.9	Trolley Bins		
4.9.1	Rental (per bin per month)	414.77	443.80
4.9.2	Charge per clearance	414.77	443.80

ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS			
4.1	Disposal Charges to Mthatha & Mqanduli Landfill Site: Weigh Bridge		
4.10 .1	Domestic & Trade Waste per tonne	56.92	60.91
4.10 .2	Rubble or concrete per tonne	28.46	30.45
4.10 .3	Material suitable to be used for cover	free	
4.11	Disposal Charges to Mthatha & Mqanduli Site: Not Weighed		
4.11 .1	Small vehicle up to 1 tonne load capacity	51.23	54.82
4.11 .2	3 - 4 tonne vehicle	204.93	219.27
4.11 .3	5 - 8 tonne vehicle	284.62	304.54
4.12	Garden Waste		
4.12 .1	Clean Greens per tonne	22.77	24.36
4.12 .2	Any other green material including tree trunks per tonne	37.57	40.20
4.13	Permits		
4.13 .1	Domestic Solid Waste Handling Permit per vehicle per annum	569.24	609.09

5.1.5 Other direct income

The tariff increase on direct income is budgeted for at 6% in line with the recommendations per circulars

5.1.6 Operating Expenditure Framework

The Municipality's expenditure framework for the 2018/2019 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit. Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA. Operational gains and efficiencies will be directed to funding the capital budget and other core services; and strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The following table is a summary of the 2018/2019 budget and MTREF (classified per main type of operating expenditure):

Table 6 Summary of operating expenditure by standard classification item

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Expenditure By Type											
Employee related costs	2	310,827	328,913	360,610	422,759	418,178	418,178	418,178	442,921	464,521	489,939
Remuneration of councillors		20,854	22,687	23,820	26,732	26,608	26,608	26,608	26,589	28,024	29,566
Debt impairment	3	78,897	62,068	14,168	28,053	28,053	28,053	28,053	29,540	31,135	32,847
Depreciation & asset impairment	2	245,600	164,553	151,119	165,723	165,723	165,723	165,723	78,819	83,075	87,561
Finance charges		16,290	14,285	14,728	28,461	28,461	28,461	28,461	29,970	31,588	33,326
Bulk purchases	2	185,321	228,881	250,059	285,635	285,635	285,635	285,635	306,543	323,096	340,867
Other materials	8		29,650	55,210		15,976	15,976	15,976	6,073	6,011	6,052
Contracted services		7,889	8,642	10,552	7,982	63,993	63,993	63,993	57,724	53,196	54,959
Transfers and subsidies		29,618	37,969	55,871	24,000	118	118	118	107	108	114
Other expenditure	4, 5	127,113	110,532	130,353	200,149	155,224	155,224	155,224	147,226	146,773	153,462
Loss on disposal of PPE		66,829	4,303	3,033							
Total Expenditure		1,089,237	1,012,484	1,069,524	1,189,494	1,187,969	1,187,969	1,187,969	1,125,511	1,167,528	1,228,692
Surplus/(Deficit)		(175,658)	(31,862)	16,958	(126,313)	(126,056)	(126,056)	(126,056)	3,998	33,199	50,096
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		164,242	204,073	199,953	134,978	381,618	381,618	381,618	290,203	281,975	99,426
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		(11,416)	172,411	216,911	8,665	255,562	255,562	255,562	294,200	315,174	149,522
Taxation											
Surplus/(Deficit) after taxation		(11,416)	172,411	216,911	8,665	255,562	255,562	255,562	294,200	315,174	149,522
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(11,416)	172,411	216,911	8,665	255,562	255,562	255,562	294,200	315,174	149,522
Share of surplus/ (deficit) of associate											
Surplus/(Deficit) for the year	7	(11,416)	172,411	216,911	8,665	255,562	255,562	255,562	294,200	315,174	149,522

5.1.7 Employee related costs.

The Salary and Wage Collective Agreement for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.

The budgeted allocation for employee related costs for the 2018/2019 financial year totals R442.9 million after an increase of 4.7 % and 5.9% of the adjusted budget. The budget is 39.5% of the total operating expenditure and 39.2% of the revenue excluding capital grant income.

5.1.8 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act

20 of 1998). The budget for this expenditure is set at R26 million as directed above . This represents 2.3 % of the total operating revenue budget excluding capital operating grant income.

Employee related costs including remuneration of councilors is 41% of the total operating budget

5.1.9 Debt impairment

The provision of debt impairment was determined based on an annual historical costs and changes in accounting statements. The assumption is that the implementation of the debt collection strategy might yield good results. The budget for the debt impairment is R29.5 million.

5.1.10 Depreciation and impairment of assets.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. The budget for the 2017/2018 financial year is at R78 million after considering the recommendations of the treasury that this be on cash basis to provide for the replacement of assets. The figure is reduced by half from prior year as it was funded by non-cash items in the prior periods.

5.1.11 Finance Charges

Interest on external loans is budgeted for at R29.9 million after taking into account loans outstanding at the period of the adjustment budget and new loan acquired for the purchase of plant and fleet.

5.1.12 Electricity bulk purchases

Bulk purchases are directly informed by increase awarded to ESKOM. As at the finalization of the draft budget a decision was still to be made as to what percentage the increase would be. The increase has been set at 7.32 percent this might change depending on the outcomes of the ESKOM application.

5.1.13 Other materials

This is a new standard item in terms of mSCOA, the budget for the item is set at R6 million.

5.1.14 Contracted Services

Contracted services is budgeted at R57 million. The items include services provided by external parties such as repairs and maintenance, catering, training and a number of other smaller items.

5.1.15 Other general expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budgets relating to non-core functions of the municipality has been reduced to ensure that the municipality complies to circulars on cost cutting measures. This is done to cut non-core expenditure and to focus on service delivery and other core functions of the municipality. The budget is set at R147 million for general expenditure. Included in the other expenditure are the following line items

5.1.16 Repairs and Maintenance

During the compilation of the 2018/2019 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance and budget for this line item is set at R75 million including salaries to the staff of R41 million and materials and equipment of R34 million

The norm is 8% and 40% of the PPE and Capital Budget respectively however the municipality due to cash flow challenges has not managed to meet the norms.

5.1.17 General expenses other

General expenditure is budgeted for at R89.4 million

5.1.18 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The budget for the current year is R24 million to cater for free basic electricity, alternative energy and subsidy for rates and other services.

5.1.19 Capital expenditure

For 2018/19 an amount of R294 millions of which R290.2 million is funded by grants and R3.9 million is funded by own income. Refer to table below:

Table 7 2018/19 Medium-term capital budget per vote

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		39	-	-	-	389	389	389	-	-	-
Vote 2 - FINANCE & ASSET MANAGEMENT		3,493	13,570	12,259	7,293	7,248	7,248	7,248	3,381	2,536	2,536
Vote 3 - CORPORATE SERVICES		315	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		-	-	-	284	234	234	234	117	88	88
Vote 5 - HUMAN SETTLEMENT		76	45,761	32,387	77,979	95,396	95,396	95,396	182,431	177,631	21
Vote 6 - COMMUNITY SERVICES		2,159	1,118	260	200	418	418	418	209	157	157
Vote 7 - PUBLIC SAFETY		5,480	-	-	319	237	237	237	119	89	89
Vote 8 - INFRASTRUCTURE		146,339	271,147	320,283	149,641	151,588	151,588	151,588	107,943	104,473	99,533
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		157,901	331,597	365,189	235,716	255,510	255,510	255,510	294,200	284,973	102,424
Total Capital Expenditure - Vote		157,901	331,597	365,189	235,716	255,510	255,510	255,510	294,200	284,973	102,424

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital Expenditure - Functional											
Governance and administration		3,847	13,570	12,259	7,293	7,637	7,637	7,637	3,381	2,536	2,536
Executive and council		39	-	-	-	-	-	-	-	-	-
Finance and administration		3,808	13,570	12,259	7,293	7,637	7,637	7,637	3,381	2,536	2,536
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		5,895	46,879	32,647	78,582	95,752	95,752	95,752	182,609	177,765	155
Community and social services		339	1,118	260	110	140	140	140	70	53	53
Sport and recreation		-	-	-	250	180	180	180	90	67	67
Public safety		5,480	-	-	319	92	92	92	46	35	35
Housing		76	45,761	32,387	77,902	95,340	95,340	95,340	182,403	177,610	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		92,890	190,658	249,502	91,416	93,578	93,578	93,578	88,144	82,074	86,734
Planning and development		-	-	-	7,719	2,295	2,295	2,295	87	66	66
Road transport		92,890	190,658	249,502	83,697	91,283	91,283	91,283	88,057	82,008	86,669
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		55,268	80,489	70,781	58,425	58,543	58,543	58,543	20,065	22,599	12,999
Energy sources		53,448	80,489	70,781	58,225	58,125	58,125	58,125	19,856	22,442	12,842
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	180	-	-	-	-	-	-
Waste management		1,820	-	-	20	418	418	418	209	157	157
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	157,901	331,597	365,189	235,716	255,510	255,510	255,510	294,200	284,973	102,424
Funded by:											
National Government		81,812	104,359	81,220	98,418	100,569	100,569	100,569	100,081	104,365	99,426
Provincial Government		67,376	101,705	103,168	128,634	146,071	146,071	146,071	190,122	177,610	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	149,188	206,065	184,388	227,052	246,640	246,640	246,640	290,203	281,975	99,426
Public contributions & donations	5	-	108,911	167,751	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		8,713	16,622	13,049	8,665	8,870	8,870	8,870	3,998	2,998	2,998
Total Capital Funding	7	157,901	331,597	365,189	235,716	255,510	255,510	255,510	294,200	284,973	102,424

5.1.20 Annual Budget Tables

Below are budget main schedules as prescribed by the National Treasury in terms of the Municipal Budget Reporting Regulations.

Table 8 MBRR Table A1-Budget Summary

EC157 King Sabata Dalindyebo - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	159,482	180,579	191,221	242,248	232,248	232,248	232,248	246,183	260,954	276,611
Service charges	266,743	316,132	350,427	439,232	438,791	438,791	438,791	466,524	495,019	525,258
Investment revenue	4,399	3,341	1,834	3,526	3,526	3,526	3,526	-	-	-
Transfers recognised - operational	220,077	264,689	275,617	293,208	296,639	296,639	296,639	321,436	343,667	369,766
Other own revenue	262,878	216,081	267,383	84,968	90,709	90,709	90,709	95,366	101,088	107,153
Total Revenue (excluding capital transfers and contributions)	913,579	980,822	1,086,483	1,063,181	1,061,913	1,061,913	1,061,913	1,129,508	1,200,727	1,278,789
Employee costs	310,827	328,913	360,610	422,759	418,178	418,178	418,178	442,921	464,521	489,939
Remuneration of councillors	20,854	22,687	23,820	26,732	26,608	26,608	26,608	26,589	28,024	29,566
Depreciation & asset impairment	245,600	164,553	151,119	165,723	165,723	165,723	165,723	78,819	83,075	87,561
Finance charges	16,290	14,285	14,728	28,461	28,461	28,461	28,461	29,970	31,588	33,326
Materials and bulk purchases	185,321	258,531	305,270	285,635	301,611	301,611	301,611	312,616	329,107	346,919
Transfers and grants	29,618	37,969	55,871	24,000	118	118	118	107	108	114
Other expenditure	280,728	185,546	158,107	236,184	247,270	247,270	247,270	234,490	231,104	241,268
Total Expenditure	1,089,237	1,012,484	1,069,524	1,189,494	1,187,969	1,187,969	1,187,969	1,125,511	1,167,528	1,228,692
Surplus/(Deficit)	(175,658)	(31,662)	16,958	(126,313)	(126,056)	(126,056)	(126,056)	3,998	33,199	50,096
Transfers and subsidies - capital (monetary allocations)	164,242	204,073	199,953	134,978	381,618	381,618	381,618	290,203	281,975	99,426
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(11,416)	172,411	216,911	8,665	255,562	255,562	255,562	294,200	315,174	149,522
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(11,416)	172,411	216,911	8,665	255,562	255,562	255,562	294,200	315,174	149,522
Capital expenditure & funds sources										
Capital expenditure	157,901	331,597	365,189	235,716	255,510	255,510	255,510	294,200	284,973	102,424
Transfers recognised - capital	149,188	206,065	184,388	227,052	246,640	246,640	246,640	290,203	281,975	99,426
Public contributions & donations	-	108,911	167,751	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	8,713	16,622	13,049	8,665	8,870	8,870	8,870	3,998	2,998	2,998
Total sources of capital funds	157,901	331,597	365,189	235,716	255,510	255,510	255,510	294,200	284,973	102,424
Financial position										
Total current assets	87,125	69,241	120,981	190,389	190,389	190,389	190,389	288,642	404,889	424,306
Total non current assets	2,384,555	2,568,183	2,798,115	2,462,568	2,496,344	2,496,344	2,496,344	2,654,937	2,939,993	3,232,809
Total current liabilities	288,155	318,805	386,000	196,495	196,495	196,495	196,495	259,377	349,913	365,118
Total non current liabilities	85,603	69,627	66,812	116,642	116,642	116,642	116,642	204,153	257,015	269,866
Community wealth/Equity	2,097,922	2,248,992	2,466,283	2,339,820	2,373,596	2,373,596	2,373,596	2,480,050	2,737,954	3,022,131
Cash flows										
Net cash from (used) operating	236,432	212,726	207,191	347,877	363,422	363,422	363,422	381,905	404,097	242,178
Net cash from (used) investing	(156,042)	(220,924)	(196,975)	(235,716)	(255,510)	(255,510)	(255,510)	(292,693)	(283,375)	(100,730)
Net cash from (used) financing	(168,684)	(19,488)	(4,177)	15,000	15,000	15,000	15,000	(34,419)	(54,079)	(128,392)
Cash/cash equivalents at the year end	40,186	12,502	18,541	139,662	135,413	135,413	135,413	194,454	261,097	274,152
Cash backing/surplus reconciliation										
Cash and investments available	40,187	12,502	18,541	139,662	139,662	139,662	139,662	194,454	261,097	274,152
Application of cash and investments	230,286	260,664	296,898	115,719	115,727	115,727	115,727	114,226	128,401	135,605
Balance - surplus (shortfall)	(190,099)	(248,162)	(278,357)	23,943	23,935	23,935	23,935	80,228	132,695	138,547
Asset management										
Asset register summary (WDV)	2,421,162	2,568,183	2,798,115	2,462,568	2,496,344	2,496,344		2,659,753	2,839,076	2,778,808
Depreciation	-	-	-	-	-	-	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	98,790	102,139	99,928
Repairs and Maintenance	-	-	-	-	-	-	-	33,537	32,417	32,406
Free services										
Cost of Free Basic Services provided	15,890	15,890	15,890	15,890	15,890	15,890	15,890	15,890	15,890	15,890
Revenue cost of free services provided	-	-	-	-	15,198	15,198	16,110	16,110	16,110	17,077
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	15	15	15	15	15	15	15	15	15	15
Energy:	81	81	81	81	81	81	81	81	81	81
Refuse:	76	76	76	76	76	76	76	76	76	76

Table 9 MBRR Table A2- Budgeted Financial Performance (Revenue and expenditure by Standard Classification).

EC157 King Sabata Dalindyebo - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		617,020	527,499	532,915	586,122	576,331	576,331	614,579	659,917	707,101
Executive and council		1,953	2,162	1,227	254	254	254	269	285	302
Finance and administration		615,067	525,337	531,688	585,868	576,077	576,077	614,310	659,632	706,798
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		50,079	70,220	69,860	38,108	133,512	133,512	191,366	187,100	7,987
Community and social services		3,463	647	8,789	2,482	2,485	2,485	2,634	2,781	875
Sport and recreation		85	-	-	140	76	76	80	85	90
Public safety		16,981	21,535	21,148	3,929	5,707	5,707	6,050	6,412	6,797
Housing		29,550	48,038	39,923	31,557	125,245	125,245	182,603	177,822	225
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		78,799	192,228	258,581	121,199	218,927	218,927	122,803	113,350	119,856
Planning and development		2,783	111,539	170,651	6,503	97,401	97,401	14,574	12,037	12,722
Road transport		76,016	80,688	87,930	114,696	121,526	121,526	108,229	101,313	107,134
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		331,923	394,949	425,080	452,455	514,468	514,468	490,720	522,079	542,998
Energy sources		297,200	358,746	388,472	407,979	465,990	465,990	439,622	467,411	484,512
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	44,476	-	-	-	-	-
Waste management		34,723	36,203	36,608	-	48,477	48,477	51,099	54,668	58,487
<i>Other</i>	4	-	-	-	275	293	293	242	257	272
Total Revenue - Functional	2	1,077,821	1,184,895	1,286,436	1,198,159	1,443,531	1,443,531	1,419,711	1,482,702	1,378,215
Expenditure - Functional										
<i>Governance and administration</i>		649,690	486,242	473,252	404,957	428,853	428,853	428,039	439,459	462,591
Executive and council		68,585	73,639	80,490	89,743	76,876	76,876	76,283	80,332	84,739
Finance and administration		581,105	412,603	392,762	310,707	347,499	347,499	347,395	354,530	373,002
Internal audit		-	-	-	4,506	4,477	4,477	4,362	4,597	4,850
<i>Community and public safety</i>		118,259	126,463	151,858	57,734	51,429	51,429	52,481	54,673	57,647
Community and social services		7,190	8,445	15,945	15,423	16,595	16,595	17,412	18,245	19,245
Sport and recreation		1,965	-	-	21,480	12,933	12,933	12,992	13,537	14,272
Public safety		89,664	97,790	113,729	17,057	17,352	17,352	18,040	18,860	19,877
Housing		19,440	20,229	22,184	3,773	4,549	4,549	4,038	4,031	4,253
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		58,747	76,924	83,225	327,923	308,633	308,633	241,616	250,594	262,839
Planning and development		15,998	22,776	22,782	48,103	33,269	33,269	29,670	30,001	31,454
Road transport		39,706	50,426	55,771	274,585	270,036	270,036	206,277	214,632	225,097
Environmental protection		3,043	3,722	4,672	5,235	5,328	5,328	5,668	5,961	6,289
<i>Trading services</i>		262,521	322,855	361,189	398,880	399,044	399,044	403,369	422,799	445,611
Energy sources		211,933	272,204	306,365	333,500	324,583	324,583	336,406	352,724	371,695
Water management		-	-	-	-	-	-	-	-	-
Waste water management		27,800	-	-	4,162	13,545	13,545	8,772	9,239	9,741
Waste management		22,788	50,651	54,824	61,218	60,915	60,915	58,191	60,836	64,174
<i>Other</i>	4	19	-	-	-	11	11	5	4	4
Total Expenditure - Functional	3	1,089,237	1,012,484	1,069,524	1,189,494	1,187,969	1,187,969	1,125,511	1,167,528	1,228,692
Surplus/(Deficit) for the year		(11,416)	172,411	216,911	8,665	255,562	255,562	294,200	315,174	149,522

Table 10 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC157 King Sabata Dalindyebo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote		1									
Vote 1 - EXECUTIVE & COUNCIL			1,953	2,162	1,227	1,436	1,436	1,436	1,522	1,613	1,710
Vote 2 - FINANCE & ASSET MANAGEMENT			614,266	525,834	530,672	573,329	574,111	574,111	601,907	651,373	698,404
Vote 3 - CORPORATE SERVICES			802	3,592	1,016	784	784	784	813	550	583
Vote 4 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT			2,868	111,539	170,651	9,989	59,609	59,609	5,186	2,540	619
Vote 5 - HUMAN SETTLEMENT			29,550	48,038	39,923	31,557	126,897	126,897	184,154	179,466	1,968
Vote 6 - COMMUNITY SERVICES			38,185	36,850	45,397	54,345	58,345	58,345	61,156	60,753	64,577
Vote 7 - PUBLIC SAFETY			16,981	21,535	21,148	23,134	24,434	24,434	24,434	25,900	27,454
Vote 8 - INFRASTRUCTURE			373,216	435,345	476,403	503,586	597,916	597,916	540,539	560,508	582,900
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	1,077,821	1,184,895	1,286,436	1,198,159	1,443,531	1,443,531	1,419,711	1,482,702	1,378,215
Expenditure by Vote to be appropriated		1									
Vote 1 - EXECUTIVE & COUNCIL			68,585	73,639	80,490	98,944	98,936	98,936	98,442	103,331	108,804
Vote 2 - FINANCE & ASSET MANAGEMENT			533,538	375,321	335,079	234,724	232,292	232,292	226,017	232,826	245,291
Vote 3 - CORPORATE SERVICES			47,567	44,086	57,684	43,467	43,784	43,784	46,840	48,677	51,350
Vote 4 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT			16,297	22,776	22,782	25,365	30,642	30,642	30,841	31,874	33,617
Vote 5 - HUMAN SETTLEMENT			19,440	20,229	22,184	35,449	33,551	33,551	32,154	32,776	34,578
Vote 6 - COMMUNITY SERVICES			62,507	62,817	75,441	86,601	85,811	85,811	83,957	83,367	87,609
Vote 7 - PUBLIC SAFETY			89,664	97,790	113,729	114,135	114,262	114,262	120,378	126,540	133,479
Vote 8 - INFRASTRUCTURE			251,638	315,827	362,136	550,808	548,692	548,692	486,880	508,137	533,966
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	1,089,237	1,012,484	1,069,524	1,189,494	1,187,969	1,187,969	1,125,511	1,167,528	1,228,692
Surplus/(Deficit) for the year		2	(11,416)	172,411	216,911	8,665	255,562	255,562	294,200	315,174	149,522

Table 11 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source												
Property rates	2		159,482	180,579	191,221	242,248	232,248	232,248	232,248	246,183	260,954	276,611
Service charges - electricity revenue	2		239,978	281,198	314,858	388,764	391,743	391,743	391,743	416,182	441,153	467,622
Service charges - water revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2		26,765	34,934	35,569	43,048	47,048	47,048	47,048	50,341	53,865	57,636
Service charges - other				-	-	7,420	-	-	-			
Rental of facilities and equipment			15,068	15,193	14,294	19,319	19,321	19,321	19,321	17,532	18,583	19,698
Interest earned - external investments			4,399	3,341	1,834	3,526	3,526	3,526	3,526			
Interest earned - outstanding debtors			25,091	32,326	37,111	37,807	30,602	30,602	30,602	40,076	42,480	45,029
Dividends received			-	-	-	-	-	-	-			
Fines, penalties and forfeits			967	1,026	1,392	2,691	3,233	3,233	3,233	2,722	2,885	3,058
Licences and permits			13,618	13,980	15,155	17,168	2,084	2,084	2,084	2,409	2,554	2,707
Agency services			-	-	-	-	15,159	15,159	15,159	15,115	16,022	16,984
Transfers and subsidies			220,077	264,689	275,617	293,208	296,639	296,639	296,639	321,436	343,667	369,766
Other revenue	2		208,133	153,557	199,432	6,561	18,888	18,888	18,888	16,005	16,966	17,984
Gains on disposal of PPE						1,422	1,422	1,422	1,422	1,507	1,598	1,694
Total Revenue (excluding capital transfers and contributions)			913,579	980,822	1,086,483	1,063,181	1,061,913	1,061,913	1,061,913	1,129,508	1,200,727	1,278,789
Expenditure By Type												
Employee related costs	2		310,827	328,913	360,610	422,759	418,178	418,178	418,178	442,921	464,521	489,939
Remuneration of councillors			20,854	22,687	23,820	26,732	26,608	26,608	26,608	26,589	28,024	29,566
Debt impairment	3		78,897	62,068	14,168	28,053	28,053	28,053	28,053	29,540	31,135	32,847
Depreciation & asset impairment	2		245,600	164,553	151,119	165,723	165,723	165,723	165,723	78,819	83,075	87,561
Finance charges			16,290	14,285	14,728	28,461	28,461	28,461	28,461	29,970	31,588	33,326
Bulk purchases	2		185,321	228,881	250,059	285,635	285,635	285,635	285,635	306,543	323,096	340,867
Other materials	8			29,650	55,210		15,976	15,976	15,976	6,073	6,011	6,052
Contracted services			7,889	8,642	10,552	7,982	63,993	63,993	63,993	57,724	53,196	54,959
Transfers and subsidies			29,618	37,969	55,871	24,000	118	118	118	107	108	114
Other expenditure	4, 5		127,113	110,532	130,353	200,149	155,224	155,224	155,224	147,226	146,773	153,462
Loss on disposal of PPE			66,829	4,303	3,033							
Total Expenditure			1,089,237	1,012,484	1,069,524	1,189,494	1,187,969	1,187,969	1,187,969	1,125,511	1,167,528	1,228,692
Surplus/(Deficit)												
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			(175,658)	(31,662)	16,958	(126,313)	(126,056)	(126,056)	(126,056)	3,998	33,199	50,096
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			164,242	204,073	199,953	134,978	381,618	381,618	381,618	290,203	281,975	99,426
Transfers and subsidies - capital (in-kind - all)	6		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			(11,416)	172,411	216,911	8,665	255,562	255,562	255,562	294,200	315,174	149,522
Taxation												
Surplus/(Deficit) after taxation			(11,416)	172,411	216,911	8,665	255,562	255,562	255,562	294,200	315,174	149,522
Attributable to minorities												
Surplus/(Deficit) attributable to municipality			(11,416)	172,411	216,911	8,665	255,562	255,562	255,562	294,200	315,174	149,522
Share of surplus/ (deficit) of associate	7											
Surplus/(Deficit) for the year			(11,416)	172,411	216,911	8,665	255,562	255,562	255,562	294,200	315,174	149,522

Table 12 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

EC157 King Sabata Dalindyebo - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ASSET MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 5 - HUMAN SETTLEMENT		-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 8 - INFRASTRUCTURE		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		39	-	-	-	389	389	389	-	-	-
Vote 2 - FINANCE & ASSET MANAGEMENT		3,493	13,570	12,259	7,293	7,248	7,248	7,248	3,381	2,536	2,536
Vote 3 - CORPORATE SERVICES		315	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING, SOCIAL AND ECONOMIC DEVELOPMENT		-	-	-	284	234	234	234	117	88	88
Vote 5 - HUMAN SETTLEMENT		76	45,761	32,387	77,979	95,396	95,396	95,396	182,431	177,631	21
Vote 6 - COMMUNITY SERVICES		2,159	1,118	260	200	418	418	418	209	157	157
Vote 7 - PUBLIC SAFETY		5,480	-	-	319	237	237	237	119	89	89
Vote 8 - INFRASTRUCTURE		146,339	271,147	320,283	149,641	151,588	151,588	151,588	107,943	104,473	99,533
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		157,901	331,597	365,189	235,716	255,510	255,510	255,510	294,200	284,973	102,424
Total Capital Expenditure - Vote		157,901	331,597	365,189	235,716	255,510	255,510	255,510	294,200	284,973	102,424

EC157 King Sabata Dalindyebo - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital Expenditure - Functional											
Governance and administration		3,847	13,570	12,259	7,293	7,637	7,637	7,637	3,381	2,536	2,536
Executive and council		39									
Finance and administration		3,808	13,570	12,259	7,293	7,637	7,637	7,637	3,381	2,536	2,536
Internal audit											
Community and public safety		5,895	46,879	32,647	78,582	95,752	95,752	95,752	182,609	177,765	155
Community and social services		339	1,118	260	110	140	140	140	70	53	53
Sport and recreation					250	180	180	180	90	67	67
Public safety		5,480			319	92	92	92	46	35	35
Housing		76	45,761	32,387	77,902	95,340	95,340	95,340	182,403	177,610	
Health											
Economic and environmental services		92,890	190,658	249,502	91,416	93,578	93,578	93,578	88,144	82,074	86,734
Planning and development					7,719	2,295	2,295	2,295	87	66	66
Road transport		92,890	190,658	249,502	83,697	91,283	91,283	91,283	88,057	82,008	86,669
Environmental protection											
Trading services		55,268	80,489	70,781	58,425	58,543	58,543	58,543	20,065	22,599	12,999
Energy sources		53,448	80,489	70,781	58,225	58,125	58,125	58,125	19,856	22,442	12,842
Water management											
Waste water management					180						
Waste management		1,820			20	418	418	418	209	157	157
Other											
Total Capital Expenditure - Functional	3	157,901	331,597	365,189	235,716	255,510	255,510	255,510	294,200	284,973	102,424
Funded by:											
National Government		81,812	104,359	81,220	98,418	100,569	100,569	100,569	100,081	104,365	99,426
Provincial Government		67,376	101,705	103,168	128,634	146,071	146,071	146,071	190,122	177,610	
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	149,188	206,065	184,388	227,052	246,640	246,640	246,640	290,203	281,975	99,426
Public contributions & donations	5		108,911	167,751							
Borrowing	6										
Internally generated funds		8,713	16,622	13,049	8,665	8,870	8,870	8,870	3,998	2,998	2,998
Total Capital Funding	7	157,901	331,597	365,189	235,716	255,510	255,510	255,510	294,200	284,973	102,424

Table 13 MBRR Table A6 - Budgeted Financial Position**EC157 King Sabata Dalindyebo - Table A6 Budgeted Financial Position**

2019 Ring Budget Summary - Table 10 Budgeted Financial Section											
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash	1	7,487	6,238	5,218	24,154	24,154	24,154	24,154	60,383	54,346	57,063
Call investment deposits		32,700	6,264	13,323	115,509	115,509	115,509	115,509	134,071	206,751	217,089
Consumer debtors	1	40,219	31,155	45,050	30,867	30,867	30,867	30,867	32,897	34,695	35,603
Other debtors			17,928	48,110	11,438	11,438	11,438	11,438	53,027	92,987	97,636
Current portion of long-term receivables											
Inventory	2	6,719	7,657	9,280	8,422	8,422	8,422	8,422	8,264	16,110	16,915
Total current assets		87,125	69,241	120,981	190,389	190,389	190,389	190,389	288,642	404,889	424,306
Non current assets											
Long-term receivables											
Investments											
Investment property		205,205	228,859	245,734	205,205	205,205	205,205	205,205	245,804	288,020	316,822
Investment in Associate											
Property, plant and equipment	3	2,172,959	2,333,309	2,546,740	2,251,480	2,285,256	2,285,256	2,285,256	2,403,369	2,643,706	2,908,076
Agricultural											
Biological											
Intangible		1,694	1,317	944	1,186	1,186	1,186	1,186	1,067	3,570	3,213
Other non-current assets		4,697	4,697	4,697	4,697	4,697	4,697	4,697	4,697	4,697	4,697
Total non current assets		2,384,555	2,568,183	2,798,115	2,462,568	2,496,344	2,496,344	2,496,344	2,654,937	2,939,993	3,232,809
TOTAL ASSETS		2,471,680	2,637,424	2,919,096	2,652,957	2,686,733	2,686,733	2,686,733	2,943,579	3,344,882	3,657,114
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	19,961	10,072	10,710	24,072	24,072	24,072	24,072	36,522	54,361	57,079
Consumer deposits		12,757	15,719	17,016	15,719	15,719	15,719	15,719	26,975	45,808	45,808
Trade and other payables	4	255,438	293,015	358,275	156,704	156,704	156,704	156,704	195,880	249,743	262,231
Provisions											
Total current liabilities		288,155	318,805	386,000	196,495	196,495	196,495	196,495	259,377	349,913	365,118
Non current liabilities											
Borrowing		46,667	32,398	27,584	80,096	80,096	80,096	80,096	147,583	176,621	185,452
Provisions		38,936	37,229	39,228	36,546	36,546	36,546	36,546	56,570	80,394	84,414
Total non current liabilities		85,603	69,627	66,812	116,642	116,642	116,642	116,642	204,153	257,015	269,866
TOTAL LIABILITIES		373,758	388,432	452,813	313,137	313,137	313,137	313,137	463,530	606,928	634,983
NET ASSETS	5	2,097,922	2,248,992	2,466,283	2,339,820	2,373,596	2,373,596	2,373,596	2,480,050	2,737,954	3,022,131
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,710,816	1,861,958	2,078,870	1,937,927	1,971,703	1,971,703	1,971,703	2,093,016	2,350,920	2,635,097
Reserves	4	387,106	387,034	387,414	401,893	401,893	401,893	401,893	387,034	387,034	387,034
TOTAL COMMUNITY WEALTH/EQUITY	5	2,097,922	2,248,992	2,466,283	2,339,820	2,373,596	2,373,596	2,373,596	2,480,050	2,737,954	3,022,131

Table 14 MBRR Table A7 - Budget cash flow statement**EC157 King Sabata Dalindyebo - Table A7 Budgeted Cash Flows**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		133,934	138,762	174,851	241,657	231,657	231,657	231,657	246,183	260,954	276,611
Service charges		297,011	300,850	327,328	453,892	459,192	459,192	459,192	466,524	495,019	525,258
Other revenue			30,198	30,840	45,617	45,617	45,617	45,617	53,783	57,010	60,431
Government - operating	1	220,077	323,960	270,846	293,208	296,039	296,039	296,039	321,436	343,667	369,766
Government - capital	1	75,015	146,764	199,953	235,716	255,305	255,305	255,305	290,203	281,975	99,426
Interest		29,490	35,667	38,945	41,222	41,222	41,222	41,222	40,076	42,480	45,029
Dividends									-	-	-
Payments											
Suppliers and employees		(502,804)	(749,190)	(820,845)	(910,975)	(889,268)	(889,268)	(889,268)	(1,006,221)	(1,045,312)	(1,100,903)
Finance charges		(16,290)	(14,285)	(14,728)	(28,461)	(28,461)	(28,461)	(28,461)	(29,970)	(31,588)	(33,326)
Transfers and Grants	1				(24,000)	(47,882)	(47,882)	(47,882)	(107)	(108)	(114)
NET CASH FROM/(USED) OPERATING ACTIVITIES		236,432	212,726	207,191	347,877	363,422	363,422	363,422	381,905	404,097	242,178
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		759	1,410	83					1,507	1,598	1,694
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments		(322)	353	380					-	-	-
Payments											
Capital assets		(156,479)	(222,686)	(197,437)	(235,716)	(255,510)	(255,510)	(255,510)	(294,200)	(284,973)	(102,424)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(156,042)	(220,924)	(196,975)	(235,716)	(255,510)	(255,510)	(255,510)	(292,693)	(283,375)	(100,730)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing					15,000	15,000	15,000	15,000	-	-	-
Increase (decrease) in consumer deposits									11,256	18,833	-
Payments											
Repayment of borrowing		(168,684)	(19,488)	(4,177)					(45,676)	(72,912)	(128,392)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(168,684)	(19,488)	(4,177)	15,000	15,000	15,000	15,000	(34,419)	(54,079)	(128,392)
NET INCREASE/(DECREASE) IN CASH HELD											
		(88,293)	(27,685)	6,039	127,161	122,911	122,911	122,911	54,792	66,642	13,055
Cash/cash equivalents at the year begin:	2	128,479	40,187	12,502	12,502	12,502	12,502	12,502	139,662	194,454	261,097
Cash/cash equivalents at the year end:	2	40,186	12,502	18,541	139,662	135,413	135,413	135,413	194,454	261,097	274,152

Table 15 MBRR Table 8 Cash backed reserves / accumulated surplus reconciliation**EC157 King Sabata Dalindyebo - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	40,186	12,502	18,541	139,662	135,413	135,413	135,413	194,454	261,097	274,152
Other current investments > 90 days	1	-	-	-	(0)	4,249	4,249	4,249	(0)	0	(0)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		40,187	12,502	18,541	139,662	139,662	139,662	139,662	194,454	261,097	274,152
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	230,286	260,664	296,898	115,719	115,727	115,727	115,727	114,226	128,401	135,605
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		230,286	260,664	296,898	115,719	115,727	115,727	115,727	114,226	128,401	135,605
Surplus(shortfall)		(190,099)	(248,162)	(278,357)	23,943	23,935	23,935	23,935	80,228	132,695	138,547

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements

Debtors	25,152	32,351	61,377	40,985	40,977	40,977	40,977	81,654	121,342	126,626
Creditors due	255,438	293,015	358,275	156,704	156,704	156,704	156,704	195,880	249,743	262,231
Total	(230,286)	(260,664)	(296,898)	(115,719)	(115,727)	(115,727)	(115,727)	(114,226)	(128,401)	(135,605)

Debtors collection assumptions

Balance outstanding - debtors	40,219	49,083	93,160	42,305	42,305	42,305	42,305	85,924	127,682	133,239
Estimate of debtors collection rate	62.5%	65.9%	65.9%	96.9%	96.9%	96.9%	96.9%	95.0%	95.0%	95.0%

Table 16 MBRR Table A9 – Assets Management

EC157 King Sabata Dalindyebo - Table A9 Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure		404,164	660,200	806,190	758,981	315,160	315,160	315,160	315,160	315,160
Storm water Infrastructure					296,186	296,186	296,186	286,186	298,339	298,339
Electrical Infrastructure		53,448	257,906	426,109	191,264	399,582	399,582	399,582	399,582	399,582
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		457,612	918,106	1,232,299	1,246,432	1,010,928	1,010,928	1,000,928	1,013,081	1,013,081
Community Facilities		415,712	420,975	412,981		9,437	9,437	9,437	10,381	11,419
Sport and Recreation Facilities					363,470	370,180	370,180	370,180	407,198	447,917
Community Assets		415,712	420,975	412,981	363,470	379,617	379,617	379,617	417,578	459,336
Heritage Assets		4,697	4,697	4,697	4,697	4,697	4,697	4,697	4,697	4,697
Revenue Generating		205,205	228,859	245,734	205,205	205,205	205,205	245,804	288,020	316,822
Non-revenue Generating										
Investment properties		205,205	228,859	245,734	205,205	205,205	205,205	245,804	288,020	316,822
Operational Buildings					387,753	370,831	370,831	416,696	463,124	463,124
Housing		805,794	455,090	378,390	189,936	95,340	95,340	182,403	177,610	
Other Assets		805,794	455,090	378,390	577,690	466,170	466,170	599,099	640,734	463,124
Biological or Cultivated Assets										
Servitudes					1,186	1,186	1,186	1,067	3,570	3,213
Licences and Rights		1,694	1,317	944						
Intangible Assets		1,694	1,317	944	1,186	1,186	1,186	1,067	3,570	3,213
Computer Equipment						6,938	6,938	6,938	7,631	8,394
Furniture and Office Equipment						88	88	88	97	106
Machinery and Equipment		530,448	539,138	523,070		400,341	400,341	400,341	440,375	484,413
Transport Assets					20,830	21,174	21,174	21,174	23,292	25,621
Libraries					43,058					
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2,421,162	2,568,183	2,798,115	2,462,568	2,496,344	2,496,344	2,659,753	2,839,076	2,778,808

Table 17 MBRR Table A10 – Ser Del

EC157 King Sabata Dalindyebo - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		42,626	42,626	42,626	42,626	42,626	42,626	42,626	42,626	42,626
Piped water inside yard (but not in dwelling)		24,405	24,405	24,405	24,405	24,405	24,405	24,405	24,405	24,405
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		67,031	67,031	67,031	67,031	67,031	67,031	67,031	67,031	67,031
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	67,031	67,031	67,031	67,031	67,031	67,031	67,031	67,031	67,031
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		37,356	37,356	37,356	37,356	37,356	37,356	37,356	37,356	37,356
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		53,138	53,138	53,138	53,138	53,138	53,138	53,138	53,138	53,138
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		90,494	90,494	90,494	90,494	90,494	90,494	90,494	90,494	90,494
Bucket toilet		496	496	496	496	496	496	496	496	496
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		14,416	14,416	14,416	14,416	14,416	14,416	14,416	14,416	14,416
<i>Below Minimum Service Level sub-total</i>		14,912	14,912	14,912	14,912	14,912	14,912	14,912	14,912	14,912
Total number of households	5	105,406	105,406	105,406	105,406	105,406	105,406	105,406	105,406	105,406
Energy:										
Electricity (at least min.service level)		450	450	450	450	450	450	450	450	450
Electricity - prepaid (min.service level)		76,732	76,732	76,732	76,732	76,732	76,732	76,732	76,732	76,732
<i>Minimum Service Level and Above sub-total</i>		77,182	77,182	77,182	77,182	77,182	77,182	77,182	77,182	77,182
Electricity (< min.service level)		60,464	60,464	60,464	60,464	60,464	60,464	60,464	60,464	60,464
Electricity - prepaid (< min. service level)		20,888	20,888	20,888	20,888	20,888	20,888	20,888	20,888	20,888
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		81,352	81,352	81,352	81,352	81,352	81,352	81,352	81,352	81,352
Total number of households	5	158,534	158,534	158,534	158,534	158,534	158,534	158,534	158,534	158,534
Refuse:										
Removed at least once a week		27,562	27,562	27,562	27,562	27,562	27,562	27,562	27,562	27,562
<i>Minimum Service Level and Above sub-total</i>		27,562	27,562	27,562	27,562	27,562	27,562	27,562	27,562	27,562
Removed less frequently than once a week		64,603	64,603	64,603	64,603	64,603	64,603	64,603	64,603	64,603
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494	11,494
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		76,097	76,097	76,097	76,097	76,097	76,097	76,097	76,097	76,097
Total number of households	5	103,659	103,659	103,659	103,659	103,659	103,659	103,659	103,659	103,659
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		7,890	7,890	7,890	7,890	7,890	7,890	7,890	7,890	7,890
Refuse (removed once a week for indigent households)		8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		15,890	15,890	15,890	15,890	15,890	15,890	15,890	15,890	15,890

5.1.21 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

5.2 Annual Financial Statement

Statement of Financial Performance

Figures in Rand	Notes	2017	2016 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	20	350 427 491	316 131 566
Rental of facilities and equipment	21	14 294 082	15 193 296
Licences and permits	22	15 154 555	13 979 592
Other income	23	10 332 418	13 911 831
Investment revenue	24	38 945 238	35 666 995
Total revenue from exchange transactions		429 153 784	394 883 280
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	191 220 643	180 579 393
Transfer revenue			
Government grants and subsidies	26	475 570 226	468 762 307
Financial assistance	27	2 369 501	5 111 655
Public contributions and donations	27	167 751 179	108 910 623
Fines, penalties and forfeits		1 391 842	1 025 516
Total revenue from non-exchange transactions		838 303 391	764 389 494
		429 153 784	394 883 280
		838 303 391	764 389 494
Total revenue		1 267 457 175	1 159 272 774
Expenditure			
Employee related costs	28	(360 609 870)	(328 913 462)
Remuneration of councillors	29	(23 819 852)	(22 687 264)
Depreciation and amortisation	30	(151 119 287)	(164 226 507)
Impairment loss	31	-	(326 443)
Finance costs	32	(14 727 735)	(14 284 709)
Lease rentals on operating lease		(16 507 595)	(24 408 439)
Debt Impairment	33	(14 168 480)	(62 068 327)
Repairs and maintenance	34	(55 210 362)	(29 650 184)
Bulk purchases	35	(250 059 345)	(228 880 826)
Contracted services	36	(10 552 403)	(8 642 297)
Grants and Subsidies paid	37	(55 870 785)	(37 969 417)
General Expenses	38	(113 845 256)	(86 123 365)
Total expenditure		(1 066 490 970)	(1 008 181 240)
		-	-
Total revenue		1 267 457 175	1 159 272 774
Total expenditure		(1 066 490 970)	(1 008 181 240)
Operating surplus		200 966 205	151 091 534
Fair value adjustments	39	18 978 546	20 953 145
Gain on write-off of finance lease liability		-	4 669 473
Loss on disposal of non-current assets		(3 033 300)	(4 303 254)
		15 945 246	21 319 364
Surplus before taxation		216 911 451	172 410 898
Taxation		-	-
Surplus for the year		216 911 451	172 410 898

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Insurance reserve	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	384 413 531	2 692 908	387 106 439	1 710 815 833	2 097 922 272
Adjustments	-	-	-	(21 268 505)	(21 268 505)
Prior year adjustments	-	-	-	(21 268 505)	(21 268 505)
Balance at 01 July 2015 as restated*	384 413 531	2 692 908	387 106 439	1 689 547 328	2 076 653 767
Changes in net assets	-	-	-	172 410 898	172 410 898
Surplus for the year	(425 500)	-	(425 500)	-	(425 500)
Revaluation of assets	-	352 978	352 978	-	352 978
Movement In Self insurance	-	-	-	-	-
Total changes	(425 500)	352 978	(72 522)	172 410 898	172 338 376
Opening balance as previously reported	383 988 031	3 045 886	387 033 917	1 883 800 767	2 270 834 684
Adjustments	-	-	-	(21 842 541)	(21 842 541)
Prior year adjustments	-	-	-	(21 842 541)	(21 842 541)
Restated* Balance at 01 July 2016 as restated*	383 988 031	3 045 886	387 033 917	1 861 958 233	2 248 992 150
Changes in net assets	-	-	-	216 911 451	216 911 451
Surplus for the year	-	379 627	379 627	-	379 627
Movement In Self insurance	-	-	-	-	-
Total changes	-	379 627	379 627	216 911 451	217 291 078
Balance at 30 June 2017	383 988 031	3 425 513	387 413 544	2 078 869 684	2 466 283 228
Note(s)	18	19			

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	349 235 681	(1 500 000)	347 735 681	350 427 491	2 691 810	Ref to note 43
Rental of facilities and equipment	28 156 823	(10 000 000)	18 156 823	14 294 082	(3 862 741)	Ref to note 43
Licences and permits	16 135 565	-	16 135 565	15 154 555	(981 010)	Ref to note 43
Other income	12 533 038	158 050	12 691 088	10 332 418	(2 358 670)	Ref to note 43
Interest received	35 009 384	1 958 000	36 967 384	38 945 238	1 977 854	Ref to note 43
Total revenue from exchange transactions	441 070 491	(9 383 950)	431 686 541	429 153 784	(2 532 757)	

Revenue from non-exchange transactions

Taxation revenue

Property rates	202 177 486	(5 281 000)	196 896 486	191 220 643	(5 675 843)	Ref to note 43
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Transfer revenue

Government grants & subsidies	520 464 203	12 366 687	532 830 890	475 570 226	(57 260 664)	Ref to note 43
Financial Assistance	-	-	-	2 369 501	2 369 501	Ref to note 43
Public contributions and donations	-	-	-	167 751 179	167 751 179	Ref to note 43
Fines, Penalties and Forfeits	2 528 779	-	2 528 779	1 391 842	(1 136 937)	Ref to note 43
Total revenue from non-exchange transactions	725 170 468	7 085 687	732 256 155	838 303 391	106 047 236	

'Total revenue from exchange transactions'

	441 070 491	(9 383 950)	431 686 541	429 153 784	(2 532 757)	
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'Total revenue from non-exchange transactions'

	725 170 468	7 085 687	732 256 155	838 303 391	106 047 236	
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Total revenue	1 166 240 959	(2 298 263)	1 163 942 696	1 267 457 175	103 514 479	
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Expenditure

Personnel	(384 174 501)	6 005 810	(378 168 691)	(360 609 870)	17 558 821	Ref to note 43
Remuneration of councillors	(24 925 100)	-	(24 925 100)	(23 819 852)	1 105 248	Ref to note 43
Depreciation and amortisation	(241 339 479)	30 000 000	(211 339 479)	(151 119 287)	60 220 192	Ref to note 43
Finance costs	(17 400 000)	638 500	(16 761 500)	(14 727 735)	2 033 765	Ref to note 43
Lease rentals on operating lease	(29 670 428)	11 029 034	(18 641 394)	(16 507 595)	2 133 799	Ref to note 43
Debt Impairment	(28 053 000)	(10 000 000)	(38 053 000)	(14 168 480)	23 884 520	Ref to note 43
Repairs and maintenance	(33 388 709)	(11 518 218)	(44 906 927)	(55 210 362)	(10 303 435)	Ref to note 43
Bulk purchases	(246 022 114)	-	(246 022 114)	(250 059 345)	(4 037 231)	Ref to note 43
Contracted Services	(8 134 524)	(3 688 231)	(11 822 755)	(10 552 403)	1 270 352	Ref to note 43
Grants and Subsidies Paid	(62 439 788)	(2 860 937)	(65 300 725)	(55 870 785)	9 429 940	Ref to note 43
General Expenses	(74 651 450)	(18 880 020)	(93 531 470)	(113 845 256)	(20 313 786)	Ref to note 43

Total expenditure	(1 150 199 093)	725 938	(1 149 473 155)	(1 066 490 970)	82 982 185	
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Total Revenue	1 166 240 959	(2 298 263)	1 163 942 696	1 267 457 175	103 514 479	Ref to note 43
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Total Expenditure	(1 150 199 093)	725 938	(1 149 473 155)	(1 066 490 970)	82 982 185	Ref to note 43
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Operating surplus	16 041 866	(1 572 325)	14 469 541	200 966 205	186 496 664	
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Fair value adjustments	-	-	-	18 978 546	18 978 546	Ref to note 43
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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Gains on disposal of non-current assets	1 336 493	-	1 336 493	(3 033 300)	(4 369 793)	Ref to note 43
	1 336 493	-	1 336 493	15 945 246	14 608 753	
	16 041 866	(1 572 325)	14 469 541	200 966 205	186 496 664	
	1 336 493	-	1 336 493	15 945 246	14 608 753	
Surplus before taxation	17 378 359	(1 572 325)	15 806 034	216 911 451	201 105 417	
Deficit before taxation	17 378 359	(1 572 325)	15 806 034	216 911 451	201 105 417	
Taxation	-	-	-	-	-	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	17 378 359	(1 572 325)	15 806 034	216 911 451	201 105 417	

Annual financial statements for the year ended 30 June 2017

Figures in Rand

	Original budget	Budget adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2017											
Financial Performance											
Property rates	202 177 486	(5 281 000)	196 896 486	-	-	196 896 486	191 220 643	-	(5 675 843)	97 %	95 %
Service charges	349 235 681	(1 500 000)	347 735 681	-	-	347 735 681	350 427 491	-	2 691 810	101 %	100 %
Investment revenue	35 009 384	1 958 000	36 967 384	-	-	36 967 384	38 945 238	-	1 977 854	105 %	111 %
Transfers recognised - operational	286 843 603	1 839 543	288 683 146	-	-	288 683 146	275 617 180	-	(13 065 966)	95 %	96 %
Other own revenue	60 690 698	(9 841 950)	50 848 748	-	-	50 848 748	62 603 644	-	11 754 896	123 %	103 %
Total revenue (excluding capital transfers and contributions)	933 956 852	(12 825 407)	921 131 445	-	-	921 131 445	918 814 196	-	(2 317 249)	100 %	98 %
Employee costs	(384 174 501)	6 005 810	(378 168 691)	-	-	(378 168 691)	(360 609 870)	-	17 558 821	95 %	94 %
Remuneration of councillors	(24 925 100)	-	(24 925 100)	-	-	(24 925 100)	(23 819 852)	-	1 105 248	96 %	96 %
Debt impairment	(28 053 000)	(10 000 000)	(38 053 000)	-	-	(38 053 000)	(14 168 480)	-	23 884 520	37 %	51 %
Depreciation and asset impairment	(241 339 479)	30 000 000	(211 339 479)	-	-	(211 339 479)	(151 119 287)	-	60 220 192	72 %	63 %
Finance charges	(17 400 000)	638 500	(16 761 500)	-	-	(16 761 500)	(14 727 735)	-	2 033 765	88 %	85 %
Materials and bulk purchases	(246 022 114)	-	(246 022 114)	-	-	(246 022 114)	(250 059 345)	-	(4 037 231)	102 %	102 %
Transfers and grants	(62 439 788)	(2 860 937)	(65 300 725)	-	-	(65 300 725)	(55 870 785)	-	9 429 940	86 %	89 %
Other expenditure	(145 845 111)	(23 057 435)	(168 902 546)	-	-	(168 902 546)	(199 231 616)	-	(30 329 070)	118 %	137 %
Total expenditure	(1 150 199 093)	725 938	(1 149 473 155)	-	-	(1 149 473 155)	(1 066 490 970)	-	79 866 185	93 %	83 %
Total revenue (excluding capital transfers and contributions)	933 956 852	(12 825 407)	921 131 445	-	-	921 131 445	918 814 196	-	(2 317 249)	100 %	98 %
Total expenditure	(1 150 199 093)	725 938	(1 149 473 155)	-	-	(1 149 473 155)	(1 066 490 970)	-	79 866 185	93 %	83 %
Surplus/(Deficit)	(216 242 241)	(12 099 469)	(228 341 710)	-	-	(228 341 710)	(150 792 774)	-	77 548 936	66 %	70 %

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (I.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (I.t.o. s31 of the MFMA)	Virement (I.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	233 620 600	10 527 144	244 147 744	-	-	244 147 744	199 953 046	-	(44 194 698)	82 %	86 %
Contributions recognised - capital and contributed assets	-	-	-	-	-	-	167 751 179	-	167 751 179	DIV/0	DIV/0
Surplus/(Deficit)	(216 242 241)	(12 099 469)	(228 341 710)	-	-	(228 341 710)	(150 792 774)	-	77 548 936	66 %	70 %
Capital transfers and contributions	233 620 600	10 527 144	244 147 744	-	-	244 147 744	367 704 225	-	123 556 481	151 %	157 %
Surplus/(Deficit) after capital transfers and contributions	17 378 359	(1 572 325)	15 806 034	-	-	15 806 034	216 911 451	-	201 105 417	1 372 %	1 248 %
Surplus/(Deficit) after capital transfers and contributions	17 378 359	(1 572 325)	15 806 034	-	-	15 806 034	216 911 451	-	201 105 417	1 372 %	1 248 %
Surplus/(Deficit) for the year	17 378 359	(1 572 325)	15 806 034	-	-	15 806 034	216 911 451	-	201 105 417	1 372 %	1 248 %
Capital expenditure and funds sources											
Total capital expenditure	266 002 143	2 031 727	268 033 870	-	-	268 033 870	365 188 548	-	97 154 678	136 %	137 %
Sources of capital funds											
Transfers recognised - capital	251 339 479	1 397 686	252 737 165	-	-	252 737 165	184 387 985	-	(68 349 180)	73 %	73 %
Public contributions and donations	-	-	-	-	-	-	167 751 178	-	167 751 178	DIV/0	DIV/0
Internally generated funds	14 662 664	634 170	15 296 834	-	-	15 296 834	13 049 385	-	(2 247 449)	85 %	89 %
Total sources of capital funds	266 002 143	2 031 856	268 033 999	-	-	268 033 999	365 188 548	-	97 154 549	136 %	137 %

5.2.1 Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies applied in the preparation of these financial statements and which are consistent with those applied in the preparation of the prior year financial statements are disclosed below.

5.2.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

All figures have been rounded off to the nearest Rand.

5.2.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

5.2.4 Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The nature and reasons for the reclassification and restatement are disclosed in Note 57 "Prior period errors", to the Financial Statements.

5.2.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

5.2.5.1 Trade receivables

The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

5.2.5.2 Asset Management and Intangible Assets

Assets: Management is required to exercise judgement when assessing the fair value/deemed cost of an asset, the extent of any potential impairment, the useful lives and depreciation methods applied to assets.

Intangible Assets: Management is required to assess the useful life of intangible assets based on the period the asset is expected to generate net cash inflows or service potential.

5.2.5.3 Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 17 - Provisions.

5.2.5.4 Effective interest rate

The municipality makes use of government bond rate to discount future cash flows in the event of it being material.

5.2.5.5 Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

5.2.5.6 Fair value determination of properties (excluding heritage assets)

In determining the fair value of investment property (and / or property, plant and equipment) the entity applies a valuation methodology to determine the fair value of the properties based on any one of, or a combination of the following factors:

- The market related selling price of the property; or
- The market related rental that can be earned from the property; or
- The market related selling price of similar properties in the area; or
- The rentals currently or previously earned by the property.

Heritage Assets

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated due to the uncertainty regarding their estimated useful lives. The valuation of heritage assets is dependent on the type of the asset and the availability of reliable information. Management makes estimates and assumptions about factors such as the restoration cost, replacement cost and cash flow generating ability in estimating fair value.

5.2.6 Impairment of non-financial assets

In testing for, and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets). For non-cash generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

5.2.7 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property.

If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised. The cost of day to day servicing of investment property is recognised in the statement of financial performance when incurred.

5.2.8 Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

To the extent that the fair value model is applied investment property is not depreciated.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

The assumptions for determining the fair value of the investment property is set out in Note 8 to the financial statements.

5.2.9 Derecognition

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interest that is held by a lessee under an operating lease may be classified and accounted for as investment property, provided that the property would otherwise meet the definition of investment property and the lessee uses the fair value model.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations established by using the criteria that it can utilise to exercise judgment consistently in accordance with the definition of investment property and with the related guidance

5.2.10 1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

5.2.11 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

5.2.12 Initial recognition and measurement

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment. Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent measurement - Cost model

Property, plant and equipment other than land, buildings and community assets is carried at cost less accumulated depreciation and any impairment losses.

Land is not depreciated as it is regarded as having an infinite life.

Subsequent measurement - Fair Value model

Land, buildings and community assets are carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

5.2.13 Property, plant and equipment (continued)

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

5.2.14 Depreciation

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

5.2.15 Item Average useful life

Land infinite

Buildings 5 - 130 years

Plant and machinery 5 - 10 years

Furniture and fixtures 3 - 5 years

Office equipment 5 - 7 years

IT equipment 5 - 7 years

Infrastructure

- Roads and paving 30 years

- Access roads 3-10 years

- Pedestrian malls 30 years

- Electricity 10 - 50 years

- Sewerage 15 - 20 years

Community

- Buildings 30 - 130 years

- Recreational equipment 20 - 30 years

- Security 5 years

- Halls 130 years

- Libraries 130 years

- Parks and gardens 20 - 30 years

- Sport fields 20 - 30 years

Other property, plant and equipment

- Other vehicles 5 years

- Other items of plant and equipment 7 - 10 years

- Landfill sites 4-30 years

- Fire engines 10 - 20 years

Bins and containers 5 years

Other leased assets

- Motor vehicles 5-20 years

Laboratory equipment 5 - 7 years

Specialised vehicles 10 years

Heritage assets Infinite

Cemetery 25 - 30 years

Stadium 25 - 30 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

5.2.16 Property, plant and equipment

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

5.2.17 Impairment

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the

5.2.18 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

5.2.19 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.
- A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.
- An intangible asset is recognised when:
- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

5.2.20 Initial recognition

Intangible assets are initially recognised at cost

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

5.2.21 Intangible assets

Subsequent measurement

Intangible assets are subsequently carried at cost less any accumulated amortisation and any impairment.

The cost of an intangible asset is amortised over the useful life where that useful life is finite. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Financial Performance in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assumption continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

5.2.22 Amortisation and impairment

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

The amortisation period, the amortisation method and residual value for intangible assets with finite useful lives are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

5.2.23 Item Useful life

Computer software, other 2 - 5 years

5.2.24 Derecognition

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

5.2.25 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

5.2.26 Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

5.2.27 Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

5.2.28 Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

5.2.29 Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

5.2.30 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one municipality and a financial liability or a residual interest of another municipality.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, a municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or

- exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:

it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or

- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;

- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and

- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial

Instruments at cost.

5.2.31 Classification

The municipality has the following types of **financial assets** (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

5.2.32 Class Category

Receivables from exchange transactions financial asset measured at amortised cost

Receivables from non-exchange transactions financial asset measured at amortised cost

Cash and cash equivalents financial asset measured at fair value

The municipality has the following types of **financial liabilities** (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

5.2.33 Class Category

Other financial liability - Long term financial liability measured at amortised cost

Other financial liability - Short term financial liability measured at amortised cost

Trade and other payables financial liability measured at fair value.

5.2.34 Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest. Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

5.2.35 Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

5.2.36 Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

5.2.37 Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

5.2.38 Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

5.2.39 Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

5.2.40 Derecognition

5.2.41 Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
 - the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
 - the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.
- On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

5.2.42 Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

5.2.43 Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

Policies relating to specific financial instruments

5.2.44 Investments

Investments, which include fixed deposits and short-term deposits invested in registered commercial banks are categorised as financial instruments at amortised cost and are subsequently measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

5.2.45 Trade and other receivables

Trade and other receivables are classified as loans and receivables and are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method.

All trade and other receivables are assessed at least annually for possible impairment. Impairment adjustments are made through the use of an allowance account. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

5.2.46 Trade and other payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

5.2.47 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

5.2.48 Bank overdrafts and borrowings

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Amounts owing in respect of bank overdrafts are categorised as financial liabilities carried at amortised cost.

Borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any differences between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy on borrowing costs.

5.2.49 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

5.2.50 Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

5.2.51 Leases (continued)

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

5.2.52 Operating leases – lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in statement of financial performance.

5.2.53 Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an

expense and the contractual payments are recognised as an operating lease asset or liability.

5.2.54 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value. The basis of determining the cost is the weighted average method.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

5.2.55 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term “contractor” thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

5.2.56 Construction contracts and receivables (continued)

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

5.2.57 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) The period of time over which an asset is expected to be used by the municipality; or
- (b) The number of production or similar units expected to be obtained from the asset by the municipality.

5.2.58 Identification of a potential impairment

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year.

If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

5.2.59 Impairment of cash-generating assets (continued)

5.2.59.1 Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

5.2.59.2 Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

5.2.59.3 Recognition and measurement of cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that noncash- generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

5.2.59.4 Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

5.2.59.5 Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

5.2.59.6 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and value added taxes.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) The period of time over which an asset is expected to be used by the municipality; or
- (b) The number of production or similar units expected to be obtained from the asset by the municipality.

5.2.59.7 Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

5.2.59.8 Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

5.2.59.9 Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP 21 -

Impairment of non-cash generating assets.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

5.2.59.10 Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

5.2.59.11 Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

5.2.59.12 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of a municipality after deducting all of its liabilities.

5.2.60 Employee benefits

Employee benefits are all forms of consideration given by a municipality in exchange for service rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- a municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

A constructive obligation is an obligation that derives from a municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

5.2.60.1 Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;

- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
 - non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.
- When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:
- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
 - as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

5.2.60.2 Leave pay

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The liability is based on the total amount of leave days due to the employees at reporting date and on the total cost to the municipality of the employees.

5.2.60.3 Annual Bonuses

The entity recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

The municipality pays out an annual bonus to its employees annually from the date of employment. A liability relating to the anticipated bonuses payable is raised and is based on the total cost to the municipality.

5.2.60.4 Long service awards

The entity provides long service awards to eligible employees, payable on completion of a certain number of years of employment. A provision is raised to account for the expected long service awards due to be paid in future years.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which a municipality provides post-employment benefits for one or more employees.

The municipality does not provide any post-employment benefits to any employees.

5.2.60.5 Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

5.2.60.6 Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

5.2.61 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 45.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

5.2.61.1 Decommissioning, restoration and similar liability

The municipality has raised a provision for rehabilitation of landfill sites and this relates to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of the future obligation, discounted over a certain period as determined by the valuer. For key assumptions refer to Note 17 "Provisions"

5.2.62 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows resulting an increase in net assets, other than increases relating to contributions from owners.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered/goods sold, the value of which approximates the consideration received or receivable excluding indirect taxes, rebates and discounts.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

5.2.62.1 Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

5.2.62.2 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

5.2.62.3 Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Service Charges

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and revenue is recognised providing that the benefits can be measured reliably. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. The estimates of consumption between meters readings are based on average

consumption. An accrual on the basis of a determined consumption factor is made for consumption not measured as at the end of the financial year.

5.2.62.4 Prepaid Electricity

Revenue from the sale of electricity prepaid meter cards and other services provided on a pre-payment basis are only recognised as income once the related units are consumed.

Refuse removal

Revenue relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Rental income

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Tariff Charges

Revenue arising from the application of the approved tariff is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

5.2.62.5 Income from Agency fees

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

5.2.62.6 Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

5.2.63 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations such as the .

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

5.2.63.1 Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a nonexchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Income received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria or conditions attached, where conditions have not been met, a liability is raised. Government grants that are received as compensation for expenses or losses incurred or for the purpose of giving immediate financial support with no future related costs are recognised in the statement of financial performance in the year in which they have been received.

Interest earned on investments is treated in accordance with the grant conditions. If it is payable to the funders, it is recorded as part of creditors, and if it is the municipality's interest, it is recognised as interest earned in the statement of financial performance in the period in which it is received.

Government grants are recognised as revenue when: it is probable that the economic benefits or service potential associated with the transactions will flow to the entity. The amount of revenue can be measured reliably and to the extent that the conditions have been discharged and there has been a compliance with any restrictions associated with the grant.

5.2.63.2 Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

5.2.63.3 Property rates

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Rebates are granted to certain categories of rate payers, and these are deducted from revenue.

5.2.63.4 Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

5.2.63.5 Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

5.2.63.6 Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Revenue from public contribution is recognised when all conditions associated with the contribution have been met or where contribution is to finance property, plant and equipment or when such items of property, plant and equipment are brought into use. Where contributions have been received but the conditions have not been met, a liability is recognised.

5.2.63.7 Services in-kind

Services in-kind are recognised as revenue and as assets.

1.20 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

5.2.63.8 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete.

It is considered inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current. Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

5.1.10 Surplus or deficit

Gains and losses arising from fair value adjustments on investments and loans, and from the disposal of assets, are presented separately from other revenue in the Statement of Financial Performance.

Income, expenditure, gains and losses are recognised in surplus or deficit except for the exceptional cases where recognition directly in net assets is specifically allowed or required by a Standard of GRAP.

5.1.11 Contingent assets and contingent liabilities

The municipality does not recognise contingent liabilities or contingent assets but discloses them.

A contingent liability is a possible outflow of resources embodying economic benefits or service potential that is subject to a future event.

A contingent asset is where an inflow of economic benefits is probable.

5.1.12 Commitments

Items are classified as a commitment when the Municipality has committed itself to future transactions that will normally result in an outflow of resources embodying economic benefits or service potential. A commitment is disclosed to the extent that it has not already been recognised anywhere else in the financial statements.

At the end of each financial period the Municipality determines commitments in respect of capital expenditure that has been approved and contracted for which is then disclosed in the commitments note to the financial statements.

5.1.13 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. The nature and reason for the reclassification are disclosed in the comparative figure note to the financial statements.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

5.1.14 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Also included is expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003).

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

5.1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

5.1.16 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

5.1.17 Internal reserves Self-insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the Self-Insurance Reserve is determined based on 5% of the insurance risk carried by the municipality and past claims history in terms of a Council Resolution and is reinstated or increased by a transfer from the accumulated surplus/(deficit). The balance of the self-insurance fund is invested in short-term cash investments. Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

The municipality operates a self-insurance scheme under the Self-Insurance Reserve, which has a policy that is aligned with the practice in the Insurance Industry. The balance of the Self-Insurance Reserve is determined based on surpluses accumulated since inception.

At the end of each financial year the surplus as computed per above is transferred from accumulated surplus to Self-Insurance Reserve.

Premiums are calculated on past claims experience.

The balance of the self-insurance fund is fully cash backed and is invested in call accounts.

5.1.18 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

5.1.19 Change in accounting policy, estimate and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 - Accounting policies, changes in accounting estimate and errors, requirements except to the extent that it is impracticable to determine the period-specific effects or the accumulative effect of the change in policy. In such cases the

municipality shall restate the opening balances of assets and liabilities and net assets for the earliest period for which retrospective restatement is practicable. Details of the changes in accounting policy are disclosed in the notes to the financial statements where applicable.

Changes in accounting estimate are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 except to the extent that it is impracticable to determine the period specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets and liabilities and net assets for the earliest period for which retrospective treatment is practicable. Details of the prior period errors are disclosed in the notes to the financial statements where applicable.

5.1.20 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget covers the fiscal period from 01/07/16 to 30/06/17.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

A difference of 10% or more between budget and actual amounts is regarded as material. All material differences are explained in the notes to the financial statements

Comparative information is not required.

5.1.20.1 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South

Africa, only entities within the provincial sphere of government are considered to be related parties.

Key management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed in the financial statements.

5.1.20.2 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

5.1.21 New standards and interpretations

5.1.21.1 Standards and interpretations Issued and Effective

The following accounting standards have been issued and are effective. These have been adopted by the municipality during the current financial period and the annual financial statements have been prepared in accordance with these.

GRAP 1 Presentation of Financial Statements

GRAP 2 Cash Flow Statements

GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors

GRAP 4 the Effects of Changes in Foreign Exchange Rates

GRAP 5 Borrowing costs

GRAP 6 Consolidated and Separate Financial Statements

GRAP 7 Investments in Associates

GRAP 8 Interests in Joint Ventures

GRAP 9 Revenue from Exchange Transactions

GRAP 10 Financial reporting in hyperinflationary economies

GRAP 11 Construction contracts

GRAP 12 Inventories

GRAP 13 Leases

GRAP 14 Events after the Reporting Date

GRAP 16 Investment property

GRAP 17 Property, Plant and Equipment

GRAP 18 Segment Reporting

GRAP 19 Provisions, Contingent Liabilities and Contingent Asset

GRAP 21 Impairment of non-cash generating assets

GRAP 23 Revenue from Non-exchange Transactions

GRAP 24 Presentation of Budgeted Information

GRAP 25 Employee Benefits

GRAP 26 Impairment of Cash-generating assets

GRAP 27 Agriculture

GRAP 31 Intangible Assets (replaces GRAP 102)

GRAP 100 Non-current assets held for sale and discontinued operations

GRAP 102 Intangible assets (replaced by GRAP 31)

GRAP 103 Heritage Assets

GRAP 104 Financial Instruments

GRAP 105 Transfer of functions between entities under common control - Issued November 2010

GRAP 106 Transfer of functions between entities not under common control - Issued November 2010

GRAP 107 Mergers - Issued November 2010

The following Interpretations have been issued and are effective. These have been adopted by the municipality during the current financial period and the annual financial statements have been prepared in accordance with these.

IGRAP 1 Applying the Probability Test on Initial Recognition of Exchange Revenue

IGRAP 2 Changes in existing Decommissioning, Restoration and similar liabilities

IGRAP 3 determining whether an arrangement contains a Lease

IGRAP 4 Rights to interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

IGRAP 5 Applying the restatement approach under the standard of GRAP on Financial Reporting in

Hyperinflationary Economies

IGRAP 6 Loyalty Programmes

IGRAP 7 The limit on a defined benefit asset, Minimum funding requirements and their interaction

IGRAP 8 Agreements for the construction of Assets from Exchange Transactions

IGRAP 9 Distributions of non-cash assets to Owners

IGRAP 10 Assets received from Customers

IGRAP 11 Consolidation - Special Purpose Entities

IGRAP 12 Jointly Controlled Entities - Non-Monetary Contributions

IGRAP 13 Operating Leases - Incentives

IGRAP 14 Evaluating the substance of transactions involving the Legal form of a lease

IGRAP 15 Revenue - Barter transactions involving advertising Services

IGRAP 16 Intangible Assets - Website Costs

Where there is no equivalent standard of GRAP or IPSAS an International Financial Reporting Standard (IFRS) that is effective forms part of the GRAP reporting framework. This applies to the accounting standards below

IAS 12 (AC 102) Income Taxes

IAS 24 (AC 126) Related Party Disclosures

IAS 32 (AC 125) Financial Instruments: Disclosure and presentation

IAS 39 (AC 133) Financial Instruments: Recognition and measurement

IFRS 07 (AC 144) Financial Instruments: Disclosures

5.1.21.2 Standards and interpretations issued, but not yet effective

The following Standards of GRAP and / or amendments thereto have been issued by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The entity has not early-adopted any of these new Standards or amendments thereto, but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

GRAP 20 Related Party Disclosures - Issued June 2011

GRAP 32 Service Concession Arrangements - Issued August 2013

GRAP 34 Separate Financial Statements - Issued March 2017

GRAP 35 Consolidated Financial Statements - Issued March 2017

GRAP 36 Investments in Associates and Joint Ventures - Issued March 2017

GRAP 37 Joint Arrangements - Issued March 2017

GRAP 38 Disclosure of Interests in Other Entities - Issued March 2017

GRAP 108 Statutory receivables - Issued September 2013

GRAP 109 Accounting by principals and agents - Issued July 2015

GRAP 20 Related Party Disclosures

This standard requires the disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity. The precise impact of this on the financial statements of the municipality is still being assessed but it is expected that this will only result in additional disclosures without affecting the underlying accounting. This standard does not yet have an effective date.

GRAP 32 Service Concession Arrangements: Grantor

The objective of the standard is to prescribe the accounting for service concession arrangements by the grantor, a public entity. The municipality must assess whether it is a grantor i.e. has granted the right to use the service concession asset to the operator. This standard then requires the municipality to recognise an asset provided by the operator and an upgrade to an existing asset of the grantor as a service concession asset if (a) the grantor controls or regulates what services the

operator must provide with the asset, to whom it must be provided and at what price, and (b) the grantor controls through ownership, beneficial entitlement or otherwise, any significant residual interest in the asset at the end of the arrangement.

Where a service concession asset is recognised, the grantor shall also recognise a liability at the same amount as the service concession asset. The precise impact of this on the financial statements of the municipality is still being assessed but it is not expected to be significant. This standard does not yet have an effective date.

GRAP 34 Separate Financial Statements

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements. The impact of this on the financial statements is not expected to be significant. This standard does not yet have an effective date.

GRAP 35 Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet the objective, this Standard:

- (a) Requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- (b) defines the principle of control, and establishes control as the basis for consolidation;
- (c) Sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;
- (d) Sets out the accounting requirements for the preparation of consolidated financial statements; and
- (e) Defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

The impact of this on the financial statements is not expected to be significant. This standard does not yet have an effective date.

GRAP 36 Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The impact of this on the financial statements is not expected to be significant. This standard does not yet have an effective date.

GRAP 37 Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet the objective, this Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

The impact of this on the financial statements is not expected to be significant. This standard does not yet have an effective date.

GRAP 38 Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- (a) The nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- (b) The effects of those interests on its financial position, financial performance and cash flows.

The impact of this on the financial statements is not expected to be significant. This standard does not yet have an effective date.

GRAP 108 Statutory Receivables

This standard requires the entity to recognise any receivables that arise from legislation, supporting legislations, or similar means and requires settlement by the entity in cash or another financial asset as statutory receivables. The municipality shall recognise statutory receivables using the standard of GRAP on revenue from exchange transactions if the transaction is an exchange transaction or the standard of GRAP on revenue from non-exchange transactions if it is a non-exchange transaction. Where the transaction is not within the scope of the above, the receivable must be recognised when the definition of an asset is met. The precise impact of this on the financial statements of the municipality is still being assessed but it is not expected to be significant. This standard does not yet have an effective date

GRAP 109 Accounting by principals and agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The precise impact of this on the financial statements of the municipality is still being assessed but it is expected that this will only result in additional disclosures without affecting the underlying accounting. This standard does not yet have an effective date.

The following interpretations have been issued by the Accounting Standards Board but has not been given an effective date by the Minister of Finance. The entity has not early-adopted this new interpretation, but has referred to it for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

IGRAP 17 Interpretation of the Standard of GRAP on Service Concession Arrangements Where a

Grantor Controls a Significant Residual Interest in an Asset - Issued August 2013

IGRAP 18 Interpretation of the Standard of GRAP on Recognition and Derecognition of Land.

GRAP 17 - Interpretation of the Standard of GRAP on Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.

The impact of this on the financial statements is not expected to be significant. This interpretation does not yet have an effective date

IGRAP 18 Interpretation of the Standard of GRAP on Recognition and Derecognition of Land.

The Interpretation of the Standards of GRAP provides guidance on when an entity should recognise and derecognise land as its asset.

Management has considered all the above-mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality. The impact of this on the financial statements is not expected to be significant.

5.3 Audit Action Plan for 2017 Audit

PART A REPEAT FINDINGS (S)

AG FOLLOW-UP REPORT 2015/16

AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
Internal Controls No risk management unit During planning of the audit it was established	The Accounting Officer should ensure that the risk management unit is established / appointed to address risk assessment and develops mitigating	Creation of the risk management unit.	30/6 /2017	Municipal Manager & Director : Corporate Services	No stand alone Risk Management Unit Risk Assessment is facilitated by the office of Internal Audit.	A proposed Risk Management Unit structure was drafted and submitted to Corporate Services for	Not Resolved

AG FOLLOW-UP REPORT 2015/16

AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
shed that there is no risk management unit operating in the municipality responsible for risk identification,	controls within the municipality					Consideration.	

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
assess ing and mitigati ng risks from interna l manag ement factors , short- term and long- term foreca							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
sting and strateg ic planni ng and extern al source s.							
<u>Unaut horise d Expen diture incurr ed</u> The	Manageme nt should ensure that they stick to budgets for vote or main divisions of	Unauthorise d expenditure incurred to be submitted to Council for condonemen	30/6 /201 7	CFO	Partial resolved and MSCO A is also prevent ing Unauth orized Expend iture.	Partial resolved and Mscoa is also preventin g Unauthor ized Expendit ure.	Partial resolved

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
internal controls designed by management do not prevent the incurring of unauthori zed expendi ture, as at	votes. No override process of payments should be done once the budget is exceeded or fully spent.	t.Engagements with political leadership.			All the Unauthorized expenditure incurred during the 2016/17 has been reported disclosed in the financial statement		

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
January 2016 unauthorized expenditure of about R15 946 506 has been identified as per the expenditure budget							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLE MENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
compa rison report. Spendi ng is therefo re contin uing even though it has reache d the budget ed figure.							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLE MENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
<u>Planni</u> <u>ng:</u> <u>Intern</u> <u>al</u> <u>Contr</u> <u>ols</u> <u>checkl</u> <u>ist -</u> <u>No</u> <u>Perfor</u> <u>mance</u> <u>Manag</u> <u>ement</u> <u>Syste</u> <u>m</u> <u>establi</u> <u>shed</u> -Per	- Manageme nt should ensure the following: - that the municipality approves and implements a performanc e manageme nt system. That a procedure manual as	PMS policy has been approved	30/6 /201 7	Munici pal Manag er and Directo r : Corpor ate Service s	The Munici pality PMS Policy has been approv ed. Condu cted worksh op on the Policy. Perfor mance Agree ments for Senior 56	The Municipa lity is working on cascadin g performa nce manage ment to lower levels once it got it right with the highest level of Manager s. 30 June	Partial resolved

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
discus sions with manag ement for assess ing the interna l control s checkli st it was establi shed that	well as a user manual outlining the name of the system, purpose of the system, input, processing and output results and reconciliati on of any anomalies, that there is a				Manag ers are conclu ded yearly. The Munici pality is workin g on cascadi ng perfor mance manag ement to lower levels once it got it right with	2017	

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
there is no perfor mance manag ement system in place to provid e fair, non- extrem e incenti ves to: help	monitoring tool to ensure that every employee is included in performanc e reviews and improveme nt opportunitie s are recorded and discussed with the				the highest level of Manag ers.		

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
ensure integrity and adherence to ethical values -Per discussions with management for assessing the internal	employee need improvement period						

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
controls checklist it was established that there is no performance management system in place to							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
provid e compe nsatio n and promot ion based on achiev ement s and perfor mance periodi cally to provid e							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
perfor mance apprai sals based on an assess ment of critical job factors and clearly identify areas in which							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
the emplo yee is perfor ming well and areas that need improv ement periodi cally.							
<u>Fruitle ss & Waste ful</u>	1. The section 32(4) reports is	1. MM to compile the section 32(4) report and	31- Mar- 17	Munici pal Manag er	The mentio ned report are		Partial resolved

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
<u>expen diture: Lack of proce sses follow ed</u>	prepared and submit to the mayor, the MEC for local governmen t in the province and the Auditor- General as prescribed by the legislation for the identified fruitless	submit to Mayor, Treasury, Local Government and AGSA. 2. MPAC to investigate and submit recommenda tions to Council.			normal ly submitt ed to the MPAC for investig ation and after tabled in Council . Therea fter report to Treasu ry, COGT A and		

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
e section 32(4) reports they only do section 52d reports , and there is no proof of submis sion of the	and wasteful expenditure and also the steps taken to recover and prevent the expenditure .				AG. These were tabled in council howev er adequa te support ing docum ents were not availed to the auditor s		

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
report on fruitles s and wastef ul expen diture to the mayor, the MEC for local govern ment in the provin							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
ce and the Auditor - Gener al as prescri bed by the legislat ion.							
<u>Compl</u> <u>iance:</u> <u>HR:</u> <u>No</u> <u>evalua</u> <u>tion</u>	The municipality should ensure that a formal evaluation	2015/2016 annual performance reviews will be carried out.	31- Mar- 17	Munici pal Manag er	Not Cleare d.		Not resolved

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
<u>panel</u> <u>establi</u> <u>shed</u> <u>to</u> <u>perfor</u> <u>m</u> <u>annua</u> <u>l</u> <u>perfor</u> <u>mance</u> <u>of the</u> <u>munic</u> <u>ipal</u> <u>mana</u> <u>ger</u> <u>and</u> <u>senior</u> <u>mana</u>	panel for performanc e of municipal manager and senior manager is established as per the requiremen t of Municipality Performanc e Regulatio ns reg 27 (4)d.						

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
<u>gers.</u> Throug h enquir y with manag ement, it was confir med that there is no formal evalua tion panel for							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
perfor mance measu rement of the munici pality.							
<u>Reven</u> <u>ue:</u> <u>Debto</u> <u>rs in</u> <u>arrear</u> <u>s in</u> <u>exces</u> <u>s of</u> <u>300</u> <u>days .</u> Accord	1. Manageme nt should impl ement an adequate debt collection system by ensuring that they	Overdue accounts to be handed over for recollection.	31- Mar- 17	CFO and Directo r Corpor ate Service s	Not resolve d howev er some of the Debtor s were handed over to		Not Resolve d

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
ing to the debtor' s age analysi s, there are debtor s in arrears in excess of 300 days. Theref ore, the	follow up with debtors owing for more than 30 days. 2. Manageme nt should issue reminding letters to debtors owing for more than 30 days on a monthly or				the Debt		

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
municipi pality has not imple mente d an effectiv e revenu e collecti on system .	weekly basis if possible.						

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
<u>Fraud prevention plan is in draft</u> During the audit of the internal controls of the SCM it was noted	Management should ensure that there is an approved fraud prevention plan which should be rolled out to all the officials in the municipality.	The plan to be reviewed before submission to Council.	31-Mar-17	MM	1. The plan to be reviewed before submission to Council.	Information not provided	Partial resolved
		Fraud prevention plan to be submitted to Council for approval.			2. Fraud prevention plan to be submitted to		

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
that there is no approved fraud prevention plan as the plan is still in a draft format.					Council for approval.		
<u>SCM: Use of consultants:</u>	The current SCM policy should be updated, or	Reviewal of SCM policy - to include skills transfer	30-Jun-17	CFO	SCM Policy was review		Not resolved

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
<u>Manag ement of consu ltants</u> It was noted that the current SCM policy, which was review ed and approv ed	a policy drafted specifically relating to the appointmen t of consultants .	programmes to address over reliance on consultants. Monitoring of consultants			ed howev er it is still silent consult ant i.e skills transfer . PMU of Techni cal Service s has started with the		

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
during the current financi al year is silent on measu res to addres s over relianc e on consult ants. (b) Per discus					analysi s of the perfor mance of the Consult ants.		

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
sion with Ms Platy (GM: SCM) and inspect ion of the SDBIP it was noted that no analysi s was perfor med							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
on the use of consult ants. (c) It was fu rther noted that manag ement does not rev iew, at least on an annual basis,							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
whether the objectives of the institution are better achieved through use of consultants or Permanent staff.							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
<u>Expenditure:</u> <u>Payments not made within 30 days</u> During the testing of expenditure, incurred by the	It is recommended that management make payments within the 30 day period as per the requirements of the MFMA. Management should also make use of early settlement options in order to take advantage	Agree with audit finding, Municipality has not been paying within 30 days to creditors due to financial constraints, Revenue enhancement strategy has been drafted by the Municipality and will be implemented after it has been approved.	30 June 2017	CFO	The status remain the same		Not resolved

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLE MENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
municipality during the 2016 financial year, it was noted that various invoices were not paid within	of the settlement discounts, which will result in potential savings. Suppliers that offer early settlement discounts should be identified and payment of these outstanding amounts should be prioritised.						

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLE MENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
30 days of receipt of the invoice :							
<u>Use of consultants: Inappropriate use of a consultant</u> During the	"Management should assess the use of consultants thoroughly before they are appointed and ensure the	AG findings noted. The municipality is in the process of appointing performance manager.	30-Jun-17	CFO	Status the same	When developing a specification skills transfer will be included	Not resolved

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
testing of the consult ants the followi ng was noted in relatio n to the use of Siseko Manag ement Institut e as a	following: - internal staff are used where possible rather than relying on consultants - effective monitoring of the consultants take place when the consultant is in fact needed "						

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
consult ant: 1) Based on unders tandin g of KSD, the munici pality remain s reliant on the use of consult							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
ants to perform financial admini stration and reporti ng functio ns that should be perfor med by the staff							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DATE	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
emplo yed. Furthe r, all the key positio ns have been filled in the Budget and Treasu ry section .							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
Theref ore the munici pality could have perfor med the work interna lly. 2) During the audit of the prior							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
year, it was noted that the consult ant was appoin ted to addres s needs or require ments that are of							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
a contin uous or perma nent nature and there are perma nent positio ns within the munici pality							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
to addres s such needs/ require ments. Furthe rmore, where no perma nent vacanc y exists on the establi shmen							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
t, there was no eviden ce that the accou nting officer made formal attemp ts to create such positio n in the establi							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
shmen t. 3) Inspec ted the propos al for the develo pment and imple mentat ion of perfor mance manag ement							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
system s (dated: 12 April 2013) and noted that there is no mentio n of transfe r of skills for this project							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
. Furthe r to that no contra ct was submit ted for audit purpos es. 4) Inspec ted the contra ct betwe en							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
KSD and Siseko Manag ement Institut e and noted that the contra ct does not stipulat e deliver ables							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT		DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN					
which are linked to milesto nes and timelin e. 5) No eviden ce of the monthl y monito ring of							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
the perfor mance of the contra ctor under the contra ct or agree ment or the proces s to appoin t staff to take							

AG FOLLOW-UP REPORT 2015/16							
AG AUDIT FINDI NG	MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
	AG RECOMME NDATIONS	MANAGEM ENT AGREED ACTION PLAN	DU E DAT E	RESP ONSIB LE OFFICI AL	PROG RESS FROM MANA GEME NT AS AT JULY 2017	REVISE D ACTION AND DATE OF IMPLEM ENTATI ON	INTERN AL AUDIT CONCL USION
over the role of the consult ant was availab le for audit.							

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPON ENT	AG AUDIT FINDING	RECOMMEND ATIONS	ROOT CAUSE	MANAGE MENT AGREED ACTION PLAN	DUE DAT E	RESPON SIBLE OFFICIAL
Expenditur e	Distributio n losses resulted	Distribution loses should	Own use not	Inspection of	Jun e	Mr Ngovela

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	in material losses to the municipality of R19 million	be monitored and where possible own use should be measured	monitored or measured . Illegal connections and theft of electricity not closely monitored	electricity networks will be intensified . Own consumption where possible will be monitored. Identification of unmonitored own consumption points and then consider installing our own meters. Monthly calculation of losses so that action can be taken.	2018	
	Unauthori	MPAC to	Poor	MPAC to	31	Mr

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	sed Expenditure accumulated to R374.7 million has not been recovered , written off or condoned .	investigate unauthorised expenditure and detailed report of those investigations be availed for audit.	record keeping as evidence of investigations could not be provided	investigate unauthorised expenditure	May 2018	Ngoma
	Fruitless and wasteful expenditure amounting to R360.9 million has not been recovered , written off or condoned	MPAC to investigate unauthorised expenditure and detailed report of those investigations be availed for audit.	Poor record keeping as evidence of investigations could not be provided	MPAC to investigate unauthorised expenditure	31 May 2018	Mr Ngoma
	Reasonable steps were not put in place to prevent	Management should ensure that expenditure is controlled and	Inadequate budget monitoring controls.			

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	unauthorised expenditure amounting to R21 million	measures are put in place to prevent budget overruns.				
	Money owed by the municipality was not always paid within 30 days	Creditors and suppliers should be paid within 30 days as required by the legislation	Cash flow challenges	Attempt will be made to improve cash flow position of the municipality. There will be a workshop on financial recovery plan on the 1 st & 2 nd February 2018.	30 JUNE 2018	Mr Jiholo
	Effective steps were not taken to prevent	Management should ensure that all procurement is	Noncompliance to SCM and overriding	Expenditure not in line with SCM will	31 January 2018	Mr Jiholo

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	irregular expenditure, fruitless and wasteful expenditure.	in line with SCM regulations	of controls.	not be approved. Deviations not complying to SCM regulations will not be approved.		
Consequence Management	Unauthorised, irregular and fruitless and wasteful expenditure incurred was not investigated to determine if any person was liable for the expenditure	MPAC to investigate unauthorised expenditure and detailed report of those investigations be availed for audit.	Poor record keeping as evidence of investigations could not be provided to the auditors	MPAC to investigate unauthorised expenditure	31 May 2018	Mr Ngoma
AOPO	Indicators and targets in	Indicators and targets should be in line with	The municipality did not	A dedicated person will		All directors

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	the technical services priority objectives as reported were not consistent with the indicators and targets approved in the IDP.	the IDP and adjustments should be properly approved and in line with the revised IDP and SDBIP	appoint a staff to perform the collation, verification and review of performance information and supporting documentation	be appointed to oversee and deal with all the performance related issues and information. A session is planned in February 2018 with the Director of Rural and Economic Development with the individual Departments to ensure that alignment is done between		

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
				IDP and SDBIP		
	The system and process implemented by the municipality to ensure accurate, valid and complete reporting of its actual performance against planned indicators and targets of basic service delivery and infrastructure priority objective were not effective.	Systems and process should be implemented by the municipality to ensure accurate, valid and complete reporting of actual performances against predetermined indicators and targets should be improved to ensure its effectiveness.	System , processes and procedure manuals are not in place to assist in ensuring that the actual performance against the predetermined targets and indicators are effective	Systems and processes including procedure manuals will be developed to ensure the accuracy, reliability and effectiveness of the objectives of the municipality		All directors

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	Performance Indicators not well defined and verifiable	Indicators should be well defined, understandable and verifiable	Performance indicators were not reviewed to ensure that they are well defined and verifiable	Performance indicators will be reviewed to ensure that these are well defined and verifiable.		All directors
	Performance management systems and related controls were not maintained as it did not describe how performance monitoring processes should be conducted	Performance management systems and related controls should be maintained and should describe how performance monitoring processes should be conducted and managed				

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	Identified and managed					
	General key performance indicators not included in the IDP and SDBIP	Key performance indicators should be included in the IDP and SDBIP	No dedicated person to manage and review the IDP and SDBIP	A dedicated person will be appointed to review IDP and SDBIP		Director corporate services
PERFORMANCE MANAGEMENT	Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted.	The municipality should put in place procedure to monitor, measure, and evaluate performance of staff against predetermined targets	Systems and procedures to measure performance not developed.	Systems and procedures to measure performance will be developed.		All directors
	A valid accurate and complete performance	The municipality should prepare on time performance	No dedicated person to manage and	A dedicated person will be appointed		Director corporate services

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	nce report was not prepared by a designated official as the municipality had the position vacant therefore no official was responsible for collecting collating the performance information	report and appoint an official to oversee or prepare, collate and consolidate performance report	review the IDP and SDBIP	to review IDP and SDBIP		
				Performance reports will be prepared and submitted on time.		Directors
	No proper record management system to maintain information that supported the reported performance	Municipality must establish or maintain adequate records management system.	No dedicated person to manage and review the IDP and SDBIP	A dedicated person will be appointed to review IDP and SDBIP		Director corporate services

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	nce in the annual performance report.					
RISK MANAGEMENT	Action was not taken by the governance structures in the municipality during the year under review to ensure risks relating to the monitoring and reporting of financial and performance information as well as the achievement of	The municipality should establish a risk management system or procedures to review and monitor risks relating to monitoring of financial and performance information	The established risk committee was not effective	A risk committee made up of directors with champions in each department has been established Risks were identified and mitigating controls will be put in place		All directors

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	performance objectives were addressed.					
ASSET MANAGEMENT	An effective system of internal control for assets was not in place:	Procedure manuals and related controls should be implemented and monitored	Procedure manuals not implemented as intended	Asset register to be reviewed on regular basis	31 January 2018	CFO
	Projects were completed during the 2017 financial year or prior to the 2017 financial year, but were yet to be transferred from the Work-in-	All transfers to assets from expenditure accounts should only occur at year end in order to ensure that the budget can be monitored with more ease and	This is caused by lack of adequate monitoring of expenditure to date versus the budget.	Capital expenditure will be closely monitored to ensure that WIP is capitalised upon completion of projects.	30 June 2018	CFO

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	progress to complete assets.	accuracy.	Furthermore once the expenditure gets transferred to the asset, the expenditure to date for the vote cancels out and thus gives the incorrect value of budget available.	Vote 32 will be closely monitored to ensure that related assets are capitalised at the end of the financial year to avoid budget overruns	30 June 2018	CFO
	The following community	Management should assess assets for	Assets are not regularly	Impairment of assets will be done on	30 June 2018	CFO

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	y assets that had physical indicators of impairment were identified, but were not impaired in the accounting record.	impairment at least on a yearly basis.	assessed by management for indicators of impairment.	all assets owned by the municipality towards end of the year		
	Supporting documentation in relation to the disposal of assets could not be supplied as follows (ID of beneficiary	Supporting documentation relating to disposal of properties should be kept completely and accurately.	No sufficient record-keeping of supporting document	All disposal records will be made available for audit.	30 June 2018	Human Settlements

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	y, proof of rights to property, application trail)		ation. All documents relating to disposal of Properties are not adequately kept record of.			
	The following assets were incorrectly classified as the Buildings instead of	Management should carefully consider the asset class based on the nature of the property.	Assets are not classified correctly in accordance to their nature	Assets will be correctly classified during the year	30 June 2018	CFO

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	Community Asset.					
	The following expenditure was included in account 13386321 1630, Vehicles, Machinery & Plant even though it was funded from 38722111 5204 Provincial Treasury	All project expenditure should be recorded against the funding account in order to track expenditure versus budget.	Projects not allocated and the misallocations not detected on time	Project source of funding and allocations will closely monitored, the asset register will be reviewed	30 June 2018	CFO

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	Infrastructure.					
SUPPLY CHAIN MANAGEMENT	Awards were made to employees in the service of the municipality or state in contravention of section 112(j) of the MFMA and SCM regulation 44	Management should put up systems to identify directors of companies in the employment of the state	The municipality does not have systems to detect directors of companies in the employment of the state. The municipality relies on central database for this function	The municipality is to source professional assistance to verify directors of companies in the employment of the state	31 March 2018	CFO
	Service providers failed to declare that its directors were in the employ of the state					
	Person in the service of	Management should put up	The municipality	The municipality	31 March	CFO

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	the municipality who had a private or a business interest in the contracts awarded by the municipality failed to disclose such interest	systems to identify directors of companies in the employment of the state and their close relatives	ty does not have systems to detect staff members who have interest in the service providers appointed by the municipality	y is to source professional assistance to verify directors of companies in the employment of the state	h 2018	
	Persons in the service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality	Management should put up systems to identify directors of companies in the employment of the state and their close relatives	The municipality does not have systems to detect staff members who have interest in the service providers appointed	The municipality is to source professional assistance to verify directors of companies in the employment of the	31 March 2018	CFO

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	ty failed to disclose such interest.		by the municipality	state		
GENERAL INTERNAL CONTROL DEFICIENCIES AOPO	The municipality did not have a proper record management system to maintain information that supported the reported performance information in the annual performance report. This includes information relating to collection, collation,	Management should establish and maintain an adequate record management system to ensure that documents are made available for audit.	Inadequate documents management system.			

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	verification, storing and reporting on the actual information.					
	There is a poor control environment at the municipality with no or inadequate daily, Monthly and quarterly processing and reconciliations transactions occurring in the revenue, expenditure, non current and current	Municipality should ensure that revenue is reconciled on daily, monthly and quarterly	Revenue, expenditure, assets and liability are not reconciled on daily, monthly and quarterly basis	Despite staff shortage management will put controls in place to perform reconciliations as required.	31 March 2018	CFO

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	assets, liabilities.					
Consequence management	There has been inadequate consequence management for prior year SCM transgressions and there was inappropriate evidence that leadership had followed up or investigated the transgressions of these officials which has accumulated irregular expenditure					

MANAGEMENT ACTION PLAN AS PER PRIOR REPORT						
COMPONENT	AG AUDIT FINDING	RECOMMENDATIONS	ROOT CAUSE	MANAGEMENT AGREED ACTION PLAN	DUE DATE	RESPONSIBLE OFFICIAL
	amounting R1.1 billion.					
INFORMATION TECHNOLOGY	Lack of governance and security controls.					
	Lack of understanding of IT risks and how they impact the municipality.					



CHAPTER SIX : PROJECTS

6.1 KING SABATA DALINDYEBO MUNICIPALITY THREE (3) YEAR PLAN

KING SABATA DALINDYEBO MUNICIPALITY THREE YEAR CAPITAL PLAN : PROJECT MANAGEMENT UNIT (PMU)						
PROJECT NAME	WARD	LOCATION	KM	FUNDER	BUDGET	STATUS
2017/2018 Financial Year: R 88,381,000.00						
14SAI to Tunxe Access Road	14	Mthatha	5,5	MIG	R 6 028 890,00	Design
Ezinkampini to Mayenge Access Road	16	Mthatha	8	MIG	R 4 200 000,00	Construction
Boundary Road to Waterfall Taxi Rank - cont...	3	Mthatha	3,85	MIG	R 16 428 622,06	Construction
Chartam To Tembu -cont...	7,9	Mthatha	2	MIG	R 17 000 000,00	Design
Vigies to Sawmill Road surfacing - planning	29	Mqanduli	1,6	MIG	R 10 438 000,00	Planning - registered
Momelezi Road to Timbers Street -cont...	6	Mthatha	1,85	MIG	R 18 196 000,00	Construction
Elliot Street	7	Mthatha	4	MIG	R 34 947 416,10	Design
Kei Rail Surfaced Road - planning	4,5	Mthatha	3	MIG /DHS	R 19 523 400,00	Registered
Fairfield to Ward12	11	Mthatha	15	MIG	R 7 500 000,00	Construction
Slovo Chris, Hani, Marhambeni Internal Roads	12	Mthatha	35	MIG	R 20 543 000,00	Planning - registered
Liwaphakade to Xhora Access road	21	Mqanduli	6	MIG	R 4 462 000,00	Construction

KING SABATA DALINDYEBO MUNICIPALITY THREE YEAR CAPITAL PLAN : PROJECT MANAGEMENT UNIT (PMU)						
PROJECT NAME	WARD	LOCATION	KM	FUNDER	BUDGET	STATUS
Callaway & Eagle Streets	7,9	Mthatha	3	MIG	R 19 654 290,00	Planning - registered
Mdeni Community Hall	17	Mthatha	365sqm	MIG	R 2 710 000,00	Procurement - Construction
Nkalweni to Zilinyama Access Road	23	Mqanduli	10,2	MIG	R 6 800 000,00	Procurement - Construction
N2-Mateko Access Road	28	Mthatha	7	MIG	R 6 900 000,00	Procurement - Construction
Nyibeni Access Road	18	Mthatha	7,5	MIG	R 4 586 175,00	Construction
Upper Ngqwara Access Road	29	Mqanduli	12	MIG	R 8 473 960,06	Planning - registered
Norwood Internal Streets - planning	8	Mthatha	3,97	MIG	R 27 093 876,00	Planning - registered
Northcrest Cemetery Fencing	13	Mthatha	2,31	MIG	R 2 337 068,40	Procurement - Construction
Luthuthu Community Hall	32	Mthatha	365sqm	MIG	R 2 710 000,00	Procurement - Construction
Manyisana to Ncokazi Access Road - Planning	23	Mthatha		MIG	R 153 900,00	Planning - registered

2018/2019 Financial Year: R 92,000,000.00							Nyokinala to Mbozwana Access Road	17	Mthatha		MIG		Not Registered
PROJECT NAME	WARD	LOCATION	KM	FUNDER	BUDGET	STATUS	Mcakathini to Phesheya Kolwalwa Access Road	20	Mqanduli		MIG		Not Registered
Chartam To Tembu - cont...	7,9	Mthatha	2	MIG	R 17 000 000,00	Design	PROJECT NAME	WARD	LOCATION	KM	FUNDER	BUDGET	STATUS
King Edward Road surfacing - planning	7	Mthatha	1	MIG	R 8 187 462,00	Planning - Not registered	Baziya Clinic to Sxuzulu Access Road	15	Mthatha		MIG		Not Registered
Boundary Road to Waterfall Taxi Rank - cont...	3	Mthatha	3,85	MIG	R 16 428 622,06	Construction	Highbury Access Road	13	Mthatha		MIG		Not registered
Elliot Street	7	Mthatha	4	MIG	R 34 947 416,10	Design	Mpangelo Road	4,30	Mthatha		MIG		Not Registered
Vigies to Sawmill Road surfacing	29	Mqanduli	1,6	MIG	R 10 438 000,00	Not registered	Mncwasa to Kunene via Haji Access Road	27	Mqanduli		MIG		Not Registered
Norwood Internal streets - Phase 1	8	Mthatha	7,64	MIG	R 18 000 000,00	Not Registered	Slovo, Chris Hani, Marhambeni Internal Roads	5,11,12	Mthatha	35	MIG		Not Registered
Kwezi Community Hall	2	Mthatha	400sq m	MIG	R 4 500 000,00	Registered	Khalalo Access Road - Planning	21	Mqanduli		MIG		Not Registered
Qweqwe Community Hall	33	Mthatha	365sq m	MIG	R 3 000 000,00	Not Registered	Makhenkesi Main Streets surfacing - planning	29	Mqanduli	2,8	MIG	R 16 865 000,00	Planning
N2 to Ngxoki Access Road	19	Mthatha		MIG		Not Registered							
30 High Mast Lights	7,29	Mthatha/Mqanduli	30	MIG		Not Registered							
Mxambule to Jojweni Access Road	26	Mqanduli		MIG		Not Registered							

Victoria, Park Road & Blakeway Rehabilitation -planning	7	Mthatha	2	MIG	R 12 098 539,00	Planning	Coffee bay surfacing	24	Mqanduli		MIG		Not Registered
Flamingo to Kingfisher rehabilitation - planning	6	Mthatha		MIG	R 8 000 000,00	Not Registered	Gerald Spilkin rehabilitation	1	Mthatha		MIG	R 12 000 000,00	Not Registered
Mthatha Stadium	7	Mthatha		MIG/DSRAC			Rehabilitation of Eli Spilkin to Park Homes	6	Mthatha	2,3	MIG	R 10 689 867,47	Registered - Co-funding Condition
Silverton Access Road	1	Mthatha		MIG		Not Registered	Callaway and Eagle Street Surfacing	8,9	Mthatha		MIG		Not registered
2019/2020 Financial Year: R 92,000,000.00							Ncamedlana to Santa Surfacing	9	Mthatha	5	MIG	R 27 431 495,93	Registered - Co-funding Condition
PROJECT NAME	WARD	LOCATION	KM	FUNDER	BUDGET	STATUS	Blekana to Mqanduli Access Road	28	Mqanduli		MIG		Not Registered
Vigies to Sawmill Road surfacing	29	Mqanduli	1,6	MIG	R 10 438 000,00	Not registered	Dumrhana to Cimela via Gubevu	31	Mthatha		MIG		Not Registered
Kei Rail Surfaced Road	4,5	Mthatha	3	MIG /DHS	R 19 523 400,00	Registered - Co-funding with DHS	Callaway and Eagle Street Surfacing	8,9	Mthatha		MIG		Not registered
Norwood Internal streets - Phase 1	8	Mthatha		MIG	R 18 000 000,00	Not Registered	Ncamedlana to Santa Surfacing	9	Mthatha	5	MIG	R 27 431 495,93	Registered - Co-funding Condition
Surfacing of Seagul Street	5	Mthatha	2,5	MIG	R 16 000 000,00	Registered - Co-funding Condition	PROJECT NAME	WARD	LOCATION	KM	FUNDE R	BUDGE T	STATUS
							Upper Ngqwara Access Road	29	Mqanduli		MIG		Not Registered
							Mbuzisa to Mngqungu Access Road	26	Mqanduli		MIG		Not registered
							Mthatha/Mqanduli Hawker Stalls	7,29	Mthatha/Mqanduli	60 Units	MIG	R 5 000 000,00	Registered
							Mthatha /Mqanduli Side Walks	7,29	Mthatha/Mqanduli		MIG		

Rosedale Community Hall	10	Mthatha	365sq m	MIG	R 2 710 000,00	Registered
Kei Rail Surfaced Road	4,5	Mthatha	3	MIG /DHS	R 19 523 400,00	Registered - Co-funding with DHS
Surfacing of Seagull Street	5	Mthatha	2,5	MIG	R 16 000 000,00	Registered - Co-funding Condition
Northcrest Community Hall	13	Mthatha	400sq m	MIG	R 4 400 000,00	Not Registered
Hillcrest Multi Purpose Community Centre	9	Mthatha		MIG	R 10 000 000,00	Not Registered

6.2 OR TAMBO DISTRICT MUNICIPALITY THREE (3) YEAR PLAN

PROPOSED PROJECTS AND PROGRAMMES TO BE IMPLEMENTED IN 2018/19, BUDGET AND SPATIAL LINKAGE (Allocation: R684 904 000)

Project	Programme	Budget required 2018/19	LMs to be covered
Lukhwethu RWS	MIG	R200 000.00	KSD
Extension of Upper Mhlahlane Water Supply	MIG	R68 300 000.00	KSD
Coffee Bay Regional Water Supply Scheme – 3A	MIG	R10 100 000.00	KSD
Coffee Bay Regional Water Supply Scheme – 3B	MIG	R72 400 000.00	KSD
Ntabasigogo Phase 3 Water Supply	MIG	R300 000.00	KSD

Mqanduli Secondary Bulk Water Supply	MIG	R 9,000,000.00	KSD
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6.3 DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

District	Local Municipality	DRDLR Project	Project progress	Challenges
OR Tambo	KSD	Erection of 20km fence at Tshemesi village	Service provider appointed in January 2018.	Not yet encountered
	KSD	Erection of 10km fence at Qunu	Service provider appointed in January 2018.	Not yet encountered
	KSD	Erection of 10km fence at Mpunzana village	Fencing in progress, expecting completion in March 2018.	No challenges
	KSD	Erection of 10km fence at Amahegebe village	Service provider appointed in January 2018.	Not yet encountered
	KSD	Renovation of Ikhwezi dairy	Tender document has drawn BSEC (Bid Specification Committee)	Had been long waiting for the land ownership document which a lease agreement has been received from OR Tambo District Municipality Awaiting confirmation

	KSD	Renovation of Umzikantu Red Meat Abattoir	Tender document has drawn BSEC (Bid Specification Committee)	Awaiting proof of ownership from OR Tambo District Municipality
	KSD	Renovation of Kei Fresh Market Produce	Tender document has drawn BSEC (Bid Specification Committee)	Had been long waiting for the land ownership document which a lease agreement has been received. Awaiting confirmation
	KSD	Bumbane irrigation system	planning	Awaiting approval for additional funding for Environmental Impact Assessment which was initially not included. This might be carried over to the next financial year.

6.4 DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM

Fencing of productive areas (R19 127 000) covering 181km

Description	Village Name	Ward	Budget	No of beneficiaries	Estimated No. of jobs created during fencing
Fencing of arable (44.7km)	Matyengqina-Konqeni	32	R5 960 300	100	57
	Centuli	31			
	Ross Mision (Mdikane)	15			

	Darabe	20			
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OR Tambo Woolclip Commercialization Project

Project	Description	Ward	Village
		16	KSD, Kambi, Mthatha
		29	KSD, Macosa, Mqanduli

Small Irrigation Support

Project	Hectares	Village	Ward	Description	Budget	No of beneficiaries	No of jobs created
Sakhisizwe-Nongcwengana	18.5	Khambi, Mthatha	16	Installation of a new irrigation system	R1000 000	20	12 (5 will be permanent, 7 will be temporal during construction)

6.5 DEPARTMENT OF HEALTH: INFRASTRUCTURE PROJECTS

Facilities for renovations and repair works during 2017/18

KSD Municipality	Facility Name	Renovations and Repair works to be done
	Mthatha Gateway	Painting, plumbing, electricity, maintenance
	Qunu Clinic	
	Sitebe Clinic	
	Stanford Terrace Clinic	
	Ngqwara Clinic	
	Mqhekezweni Clinic	
	Ncambele Clinic	
	Ngcengane Clinic	

	Ngcwanguba Clinic	
	Ngqungqu Clinic	
	Ntlangaza Clinic	
Local Municipality	Facility Name	Renovations and Repair works to be done
KSD	Phakamile Clinic	Painting, plumbing, electricity, maintenance of doors & windows, water & sanitation
	Tshezi Clinic	
	Wilo Clinic	
	Zwelebhunga Clinic	
	Efata	

Special Projects In Support of Youth and Women

Project	Village	Ward	Description	Budget	No Of Beneficiaries	No Of Jobs Created
Nomabali Art Center	Coffee Bay, Mqanduli	24	Upgrade of exhibition center and housing	R900 000	5	9 (5 permanent and 4 temporal)
Koze Kuse Piggery (Phase 2)	Kwa Kaplan	14	Construction of fully-equipped piggery structure	R1 950 000	15	4

Mthatha Dam Aquaculture development

Mthatha Dam Aquaculture development (R2 714 000)			
Mthatha Dam	KSD	Mthatha Catchment	Revitalise Mthatha Dam Fish Center, hatchery refurbishment, construction of fish ponds and palisade fencing.

Fencing and Guardhouse Project 2016/17 – 2017/18

Contractors to erect new fencing and guardhouses at the health facilities below were handed over to site on the 17 July 2017 for a contract duration of six (6) months that would be completed during 2018/19.

Local Municipality	Facility name	Description of Works
KSD	Baziya CHC	Replacement of existing perimeter fencing with high security fence
	Mthatha Gateway Clinic	
	Qunu Clinic	
Mhlontlo	Mbalisweni Clinic	of doors & windows, water & sanitation
	Mjika Clinic	
	Qumbu CHC	

Hospital Related Projects

Local Municipality	Facility Name	Description of Work	Project Cost (R)	Progress Status
KSD	Zitulele hospital	Phase 1: refurbishment and repair works of hospital buildings, sewerage and water supply services, electrical & mechanical installations & equipment. Provision of park homes for temporal staff accommodation	52 059 697	Construction contract awarded in January 2017 and completion achieved end August 2017

6.6 DEPARTMENT OF SOCIAL DEVELOPMENT

Funded projects 2018/19

NAME OF FUNDED PROJECTS	WARD	CATEGORY
Sonqobindlala project	Ward 12	Women(non -profit organisation)
Vuka Sheshegu project	Ward 10	Women(non -profit organisation)
Ncedanani project	Ward 36	Women(non -profit organisation)

None funded projects

NAME OF UNFUNDED PROJECTS	WARD	CATEGORY
Ubumbano Youth Organisation	30	Youth Project (NPO)
Matyengqina project	32	Youth Project (NPO)
Masande co-operative	35	Women coop
Ganda-ganda project	31	Women coop
Kuzokubanje project	16	Women coop
Sinethemba project	23	Sustainable
CNDC (FUTYE)	21	CNDC

6.7 INFRASTRUCTURE PROJECTS IMPLEMENTED BY NDOH THROUGH DEVELOPMENT BANK OF SA (DBSA)

Hospital Revitalisation Programme

The following two (2) hospitals have been under the Hospital Revitalisation Programme that is implemented by National Department of Health since May 2017. The implementing agent is Development Bank of South Africa (DBSA), and the project will be completed in July 2021.

Local Municipality	Project details	Total Project Cost	Current Stage	Project Start Date	Project Final Completion Date
KSD	Zitulele hospital Upgrade & Additions – Phase 2 (in-kind grant by NDOH)	TBA	Stage 3 – Preparation and Briefing	05/05/2017	30/07/2021

6.8 MODIFICATION AND EXTENSION OF PRIMARY HEALTH CARE (PHC) FACILITIES PROGRAMME 2018/19

Planning Stage:

Forty seven (47) PHC facilities would be done modification inside and outside to align to the Ideal Clinic standards. Professional Service Providers have been appointed to undertake assessments on the need and scope of work for modifying and extending each of the health facilities listed below

Local Municipality	Name of facility
KSD (13)	Baziya CHC
	Bityi Clinic
	Mpeko Clinic
	Mpunzana Clinic
	Mqanduli CHC
	Ngcengane Clinic
	Ntlangaza Clinic
	Ntshabeni Clinic
	Ntshele Clinic
	Nzulwini Clinic
	Qokolweni Clinic
	Zidindi Clinic
	Zwelichumile Clinic

6.9 DEPARTMENT OF EDUCATION

Schools under construction: 2017/18 financial year

NAME OF SCHOOL	COMPANY NAME	CONTRACT AMOUNT	STATUS	SCOPE OF WORKS
Qokolweni SSS	Ndzamela Construction	R 2 633 132.10	Under construction	Renovation to existing structures
Lower Ngqungqu JSS	Jiks Consulting (PTY) LTD	R32 804 394.74	Under construction	Renovation to existing structures
Mbuqe Extension SPS	Transtruct Building & Civil Contractors	R65 621 130.93	Under construction	Full scope
Tembisa Special School	Ruwacon	R 129 697 905.94	Under construction	Hostels

APPROVED PROJECTS: 2018/2019 FINANCIAL YEAR

NAME OF SCHOOL	STATUS	IMPLEMENTING AGENT
1. Attwell Madala High School	Contractor appointed	DRPW
2. Holomisa S.S.S.	Tender stage	COEGA
5. Mthatha Technical College	Tender stage	DBSA
6. Wilo Technical High School	Tender stage	DRPW
7. St Johns College	Tender stage	DBSA

6.10 DEPARTMENT OF ROADS AND PUBLIC WORKS

2017/18 FINANCIAL YEAR		
ROAD NUMBER	LOCATION	ACTIVITY
DR08426	Mahodini	Dumping of 10.5 km and awaiting for processing hips
DR08283	Majelweni	Dumping of 6.5 km and awaiting for processing hips
DR08273	Mqhekezweni	Patch gravelling and donga repairs to be done
2018/19 FINANCIAL YEAR		
ROAD NUMBER	LOCATION	ACTIVITY
DR08298	KSD route connecting Makhaphetshwini	7km to be re-gravelled
DR08222	Baziya	8km to be re-gravelled

6.11 ESKOM

KSD Local Municipality 17/18 Electrification –Update

Name	Beneficiaries	Project Type	Y-E Plan Capex	Y-E Plan H/H	YTD Capex (Sept)	YTD Conn (Sept.)
KSD Extension	Highbury, Kaplane, Tyumbu, Vutha, Qweqwe, Luthuthu, Geza/ Matyengqina/ Madikazini, Sawutini, Qunu forest,	Household	R18 583 590. 00	948	660 918.59	0

	Hillside farm, Singeni					
KSD Extension Link Line	–	Infrastructure	R 749 865.00	0	R 712 372.11	0
KSD Pre-Eng.	–	Pre Engineering	R100 000.00	0	0	0
Mqanduli/ Coffey Bay	Emathokazini, Mlawu, Rhini, Enyandeni, Mthonjana, Hole in the Hole		R 14 815 044.00	550	R2 170 759.09	0
Mqanduli Ph 2	Mhlabeni, Manangeni, Manangeni, Kwanduli, Ntandela, Kulotshani	Households	R 15 740 778.00	595	R9 327 533.17	0
KSD Type 1 Infills		Infills	R8 692 500.00	1790	R 7 879 121.42	1803
Mqanduli Ph6	Mamfengwini, Enkalweni, sikhobeni, engqeleni, Mhlabubomkhani, Mahlatini, Gengqe	Household	R12 546 240.00	500	R9 272 914.73	0
TOTAL			R 70 478 152.00	4373	R 30 023 619.11	1803

KSD Local Municipality 18/19 Electrification Draft Plan

Project Name	Beneficiaries	Project Type	Planned CAPEX	Planned H/H
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KSD Extension	Kwa-Tsheme, Xhuxhwaya, Nqwalala, lower Manyisane	Household	R 4 700 000.00	200
KSD Extension Link Line		Infrastructure	R 1 130 610.53	0
Mqanduli Coffee Bay	Mtumbane, black rock store, hole in the Wall, Mthonjana	Household	R 8 225 000.00	350
Mqanduli Coffee Bay Link Line		Infrastructure	R 1 120 000.00	0
Mqanduli Ph2	Ngcenduna/ Menduna, Khohlo, Kwakhakhane, Endunzunyini	Household	R 6 815 000.00	290
Mqanduli Ph2 Link Line	–	Infrastructure	R 1 400 000.00	0

KSD Local Municipality 18/19 Electrification Draft Plan

Project Name	Beneficiaries	Project type	Planned CAPEX	Planned H/H
Mqanduli Ph 6	Gotyibeni, Bijolo, Esikobeni, Xhorana, Thuthwini	Household	R 9 870 000.00	420
Mqanduli Ph 6 Link Line	–	Infrastructure	R 2 800 000.00	0
KSD Pre-Eng	–	Pre-Engineering	R 918 143.86	0
KSD Type 1 Infills	–	Infills	R 1 573 000.00	200

			R 38 551 754.39	1460
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KSD Local Municipality 19/20 Electrification Draft Plan

Project Name	Beneficiaries	Project Type	Planned CAPEX	Planned H/H
KSD Extension	Phelandaba, Marhambeni B, Phelandaba, Gxididi, Ndlovini A&B, Bedford, KwaNxele, Mabheleni	Household	R 2 996 000.00	107
KSD Extension Link Line		Infrastructure	R 960 000.00	0
Mqanduli Coffee Bay	-	Household	R 9 240 000.00	330
Mqanduli Coffee Bay Link Line	-	Infrastructure	R 960 000.00	0
Mqanduli Ph2	Funiswayo, Khotyana, Dingada, Kunqenya, Mzulwini(Nzulwini)	Household	R 9 800 000.00	350
Mqanduli Ph2 Link Line	–	Infrastructure	R 1 280 000.00	0

KSD Local Municipality 19/20 Electrification Draft Plan

Project Name	Beneficiaries	Project type	Planned CAPEX	Planned H/H
Mqanduli Ph 6	Zwelitsha, Bijolo, Komkhulu, Xhorana D3, Xhorana B1, Bakuba B4&2	Household	R 11 200 000.00	400

Mqanduli Ph 6 Link Line	–	Infrastructure	R 1 280 000.00	0
KSD Pre-Eng	-	Pre-Engineering	R 1 018 954.30	0
KSD Type 1 Infills	–	Infills	R 2 052 765.00	261
Total			R 40 787 719.30	1448

Consolidated Backlog Progress update

Historic Backlog	Eskom Electrified	Remaining Backlog	Achieved %	Remaining %
79181	72295	6886	91.3	8.7
Current Backlog Inclusive of New Extensions				
Remaining Backlog	New Extensions	Current Total Backlog		
6886	2500	9386		

Responsible Electrification Planning Coordinator

Municipality	Planning Coordinator	Contacts	Mobile	E Mail Address
KSD	Ncamile Mbuqe	043 – 703 5754	073 231 1781	mbuqen@eskom.co.za

6.12 DEPARTMENT OF ENVIRONMENTAL AFFAIRS

Project Name	Project Deliverables	Budget	Progress to date	W/O
Ec- Mthatha Dam Tourism Center & Recreational Facility- Phase 3	Accommodation unit, Admin Block, Camping site and extension of the kitchen	38	<ul style="list-style-type: none"> Accommodation self catering units completed. Extension of kitchen is complete. Alien Clearing completed Installation of a back-up generator completed. Awaiting for more funds 	394
EC- Development of a new Landfill site	Construction of landfill cell	32.5 m	<ul style="list-style-type: none"> Street Cleaning taking place, Admin block at window level Fencing complete Earthworks are continuing 	258

6.13 EXPANDED PUBLIC WORKS PROGRAMME: FUTURE/PLANNED PROJECTS 2018-19

Department/institution	Project/Programme	Municipality	Proposed Budget	Responsible person
Roads and Public Works	Household contractors (77 households)	PSJ, KSD, Ingquza Hill, Mhlontlo, Nyandeni.	R687 456.00	Ms N Mgibe

	Aptcod (250 students)	PSJ, KSD, Ingquza Hill, Mhlontlo, Nyandeni	R6 600 000.00	Ms N Mgibe
	National Youth Service (NYS) (20 students)	PSJ, KSD, Ingquza Hill, Mhlontlo, Nyandeni	R456 000.00	Ms N Mgibe
	Dept. will engage with all Public Bodies on the distribution.			

FBE Status Quo

Municipality	No. of Electrified customers	Configured for FBE			
			collection July 2017	Collection Aug 2017	Collection Sept 2017
Ingquza Hill	39 855	4 592	1 620	2 236	3 285
PSJ	48 073	6 223	3 681	3 791	4 228
Nyandeni	58 208	100	100	100	100
Mhlontlo	38 157	6 351	4 450	4 406	4 407
KSD	72 295	219	7 448	7 407	219
TOTAL	296 025	20 250	18 971	19 661	14 198

APPROVAL

- a) Council Resolutions
- b) Annexures
 - Sapatial Development Framework
 - KSD 2030 Vision
 - Housing Sector Plan
 - Performance Management Policy
 - Comunication Policy & Strategy
 - Ward Needs

